

Press Officials Score CIA 'Newsmen'

New York Times News Service

NEW YORK — Many of the major news-gathering organizations say they would fire any correspondent who was also found to be working for the Central Intelligence Agency.

Their stands were made known following the recent disclosure in the Washington Star-News that the CIA had about three dozen American newsmen working abroad on its payroll as undercover informants or as full-time intelligence agents who use journalism as their cover.

In addition, over the years, the agency has attempted to recruit newsmen working in the United States to supply it with domestic intelligence.

Interviews with news officials indicated that the idea that newsmen would work for any government agency, including the CIA, was profoundly disturbing for news-gathering organizations, for it raised the question of credibility of any news that

such an agent-journalist would file.

KEITH FULLER, vice president and assistant general manager of the Associated Press, said, "We would not permit it for one moment. We don't want our people working for any government agency, under any circumstances."

The AP has nearly 800 full-time employees working overseas, and nearly 850 "stringers" — journalists who usually work for themselves and sell news articles, one at a time, to news organizations.

Most foreign news that appears in American newspapers and is reported on radio and television here is supplied by either the AP or the United Press International, which has about 600 full-time employees overseas. Both organizations said that they would immediately dismiss any correspondent found to be working also for the CIA.

"I'm satisfied that none of our people are involved

with the CIA," said H.L. Stevenson, UPI managing editor. "And our Washington manager is satisfied that we are clear."

In response to queries, the CIA has assured the New York Times, where dismissal would be immediate, and Time magazine and the Star-News, among others, that their correspondents were not connected with the agency.

But Fred Taylor, managing editor of the Wall Street Journal, said that the agency would not admit it if it had a valuable agent who was also a newsmen.

William E. Colby, director of Central Intelligence, has indicated that full-time

staff correspondents working for general circulation news-gathering organizations will be phased out of CIA work but that about 30 others—mostly agents who work abroad as free-lance writers and stringers—will continue to be maintained.

Malcolm Browne, a New York Times foreign correspondent, said that when he was working for UPI in Saigon there were a number of foreign correspondents he believed were working at least, in part, for the agency.

One New York Times correspondent, Juan de Onis, said that when he worked in Latin America and South

A-22

*

WASHINGTON STAR-NEWS

Washington, D. C., Wednesday, December 19, 1973

America there "were some [American journalists] who seemed to have developed unusually close relations, which have served the agency in putting out its line."

He said he felt the agency tried to use correspondents to manage the news — that is, to write articles reflecting the desires of the agency.

DURING the revolution in the Dominican Republic in 1965, De Onis and Martin Arnold of The Times were approached by an agent of the CIA who had with him a large pile of documents.

The documents were purported by the agent to show

that the Dominican revolution was being conducted on orders from Communists in Europe. This was the Johnson administration's contention.

De Onis, an expert on Latin American affairs, declined to write an article because, he said, there was no way to determine whether or not the documents were authentic.

Hunt Says CIA Ordered '64 Spying on Goldwater

E. Howard Hunt Jr. has told Senate Watergate investigators he directed a small-scale surveillance of Sen. Barry Goldwater, R-Ariz., during the 1964 presidential campaign on instructions from his superiors at the Central Intelligence Agency.

Sources said Hunt implied the orders for the spying operation on Goldwater's Washington campaign headquarters "had come down from the White House." He indicated that at least one of his superiors was stationed at the White House, the sources said.

HUNT, NOW serving a 2½- to 8-year prison term for his role in the Watergate burglary, revealed the Goldwater surveillance during an interview Monday with Republican staff members of the Watergate committee, who have been probing the CIA role in the burglary and bugging of Democratic National Committee Headquarters.

"It was only discussed for a minute or two," one source said.

Hunt told the investigators he did not participate in the spying operation itself, but rather — on orders from his CIA superiors — "dispatched a couple of people to the Goldwater headquarters to see what was going on."

Goldwater that year opposed President Lyndon Johnson and lost the election in a landslide. Goldwater has maintained he was the object of a spying effort similar to the one carried out at the Watergate.

The operatives, one of whom may have been a woman, obtained advance campaign schedules, news releases, and "any other information they could get," Hunt told the investigators.

Hunt said he reported such information to his superiors.

Hunt indicated at least one of his superiors was stationed at the White House, the sources said.

AT THE TIME, the sources said, Hunt was in charge of a downtown Washington office for the CIA.

A SPOKESMAN for the CIA declined to comment on the reported accounts of Hunt's testimony.

Hunt served with the CIA 20 years before quitting to go to work for a Washington public relations firm and later to take on an assign-

ment for the White House, including membership in a group known as "the plumbers" assigned to try to stop leaks of classified information.

Sources said Hunt gave the investigators the names of his former CIA superiors who allegedly ordered the surveillance, but no decision has been made yet on whether they will be questioned.

If Hunt's information is correct, the sources said, the CIA would have been violating a law forbidding it to conduct domestic operations.

"It's kind of up in the air right now," one source said, noting that the Senate panel's mandate is limited to matters relating to the 1972 presidential campaign.

"This is very interesting and important, but we're not going to try to squeeze every last ounce out of it," one minority staff aide said.

"STA 12"

Wed. Dec 19, 1973

A 18 Thursday, Dec. 20, 1973 THE WASHINGTON POST

Hunt Says He Spied on Goldwater on Orders of LBJ

Hunt Tells Senate Panel He Spied On Goldwater in '64 on LBJ Order

By Lawrence Meyer
and John Hanrahan
Washington Post Staff Writers

Watergate conspirator E. Howard Hunt Jr. has told the staff of the Senate select Watergate committee that he conducted surveillance of Sen. Barry Goldwater (R-Ariz.) during the 1964 Presidential campaign at the order of President Lyndon B. Johnson, according to informed sources.

The exact nature and duration of Hunt's activities were not revealed, but Goldwater, an amateur dabbler in electronics, said yesterday that he had no indication that the surveillance involved electronic eavesdropping.

Another source said that Hunt was not certain of the dates of the surveillance, although he told the committee staff it began well before Goldwater's presidential nomination at the 1964 Republican Convention and

lasted until after his overwhelming election defeat that November.

Hunt said he undertook the surveillance with a team of operatives, under directions from Mr. Johnson through an intermediary, according to the source, who declined to say who Hunt named as the intermediary.

Goldwater, who declined to give the source of his information, said he had been told in the past two or three days that Hunt and a team that "could have been as many as 30 people not just working on me but working on other people, too" operated out of offices in "downtown" Washington. Although Goldwater said he could not be certain of the group's name, he thought it was "domestic investigations." Goldwater said he did not know the names of the other people under surveillance.

Goldwater said he had the

impression that Hunt and the others involved in the operation were "on leave" from the CIA (where Hunt was supposed to be working at the time). "If I had to guess, I would guess that they didn't want it traced back to the CIA," Goldwater said.

"I knew 10 years ago what was going on," Goldwater said, asserting that friends in the CIA and the FBI had told him then that he was under surveillance by both agencies. Goldwater said he had "no idea" what the investigation involved since he had no indication that it delved into his private life, financial affairs, "home life or anything like that." Goldwater said he learned only two or three days ago of Hunt's professed involvement. "I don't even know the man," Goldwater said.

Attempts were made last night to reach several aides to President Johnson in



E. HOWARD HUNT
... uncertain of dates

1964, but only two could be reached.

Lawrence F. O'Brien, a White House aide in 1964 and later chairman of the Democratic National Committee, said he had never heard of Hunt at the time and, "Honestly, I never heard of such a thing," he added, referring to Hunt's reported testimony.

Horace Busby, a special
See COMMITTEE, A18, Col. 1

COMMITTEE, From A1

assistant to the President at the time, said that Hunt's testimony "strikes me as preposterous on its face ... While I thoroughly disbelieve it, I don't want to dispute the man on the basis of information I don't have," Busby said. Busby said he knew of no connection between Hunt and President Johnson or the White House in 1964. "I find it incredible ... that Mr. Johnson would have any need of surveillance of Sen. Goldwater," Busby said.

At the time, Goldwater said, "I just assumed it was one man or two men assigned at the direction of the President ... It never bothered me. I never got upset about it. Oh, I guess it should have, but knowing Johnson as I did, I never got upset about it.

"I would naturally be concerned to learn what they

did find out," Goldwater added, "not that I did anything wrong." Goldwater said he would like to know if Hunt kept a dossier on him, "But the fellow wouldn't tell me."

Goldwater said he did not press his source of the information for details. "I didn't want to get too involved in it," Goldwater said. "I figured sooner or later it would come out."

Goldwater had said last April, "I was bugged by the other side and paid no attention to it." Yesterday, however, Goldwater said, "I never found my place bugged and I know something about that because I'm an electronics expert."

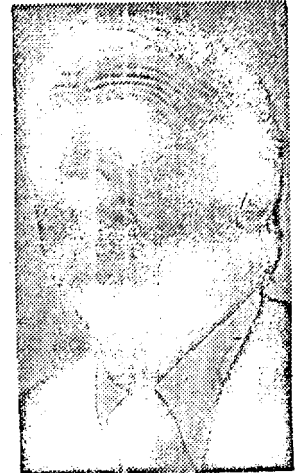
At the same time, Goldwater said of President Johnson, "I knew that he had espionage. He had to have. For a long time I thought it was within my staff." Goldwater said that the Democrats "seemed to have my

speeches before I had them" during the 1964 campaign.

A spokesman for CIA Director William E. Colby also said yesterday that Colby had "no comment" on Hunt's reported testimony. A spokesman for the FBI said he "categorically denied" Goldwater's assertion that the FBI was involved in any surveillance of him in 1964.

Hunt's appearance before the Senate Watergate committee's staff was part of an ongoing investigation by the Republican staff members of the possible role of the CIA in the Watergate affair. The committee's vice chairman, Sen. Howard H. Baker Jr. (R-Tenn.), has been directing this inquiry for several months.

A source close to Hunt said yesterday that Hunt met Monday with Baker and on Tuesday with other members of the minority staff, and will probably meet with them again next week. In all of the committee discussions



WILLIAM F. BUCKLEY
... key Hunt defense role

with Hunt to date—some informal, some with Hunt under oath—the main topic has been CIA domestic operations, the source said.

Baker appears to have collected a large number of allegations relating to CIA involvement in domestic matters, the source said, and Hunt is providing information about some of these activities.

Hunt, currently serving a sentence of 2½ to eight years in prison for his role in the break-in and bugging of the Democratic National Committee's Watergate headquarters at the Allenwood (Pa.) Prison Camp, has been accompanied to his meetings with Baker and the Senate committee's minority staff by one of his at-

torneys, William A. Snyder of Baltimore. Snyder declined yesterday to comment on the meetings.

Another of Hunt's attorneys, C. Dickerman Williams, who said he has not been present for the meetings with Hunt, confirmed that Baker and minority counsel Fred Thompson were quizzing Hunt about "CIA domestic activities," but said he could provide no other details.

Baker's inquiry into CIA domestic activities beyond the 1972 presidential campaign appears to be outside the scope of the Senate resolution establishing the Senate select Watergate committee. That resolution authorized the committee to "conduct an investigation and study of the extent, if any, to which illegal, improper, or unethical activities were engaged in by any persons, acting individually or in combination with others, in the presidential election of 1972, or any campaign, canvass, or other activity related to it."

Although an attempt was made on the Senate floor on Feb. 7 to enlarge the committee's scope to include the 1964 and 1968 presidential elections, the proposed amendment was defeated.

One source close to the Senate committee said yesterday that despite the resolution's limitation of the investigation to the 1972 campaign, the argument could be made that the 1964 cam-

paign activities are relevant to show a precedent for the 1972 bugging. In any case, this source said, it would be politically awkward for committee chairman Sen. Sam J. Ervin (D-N.C.) to bar an attempt by Baker to put on Hunt's testimony if Baker decides to do so.

Conservative columnist and editor William F. Buckley Jr. has in recent weeks assumed a major role in the handling of Hunt's defense.

Buckley has obtained the free services of Williams, a

lawyer highly regarded in conservative circles. Assisting Williams is Snyder, who will receive a fee, Williams said.

Williams and Snyder, who are handling Hunt's appeal, succeed Sidney S. Sachs, a Washington lawyer who has served as Hunt's attorney only since last summer. Sachs replaced William O. Bittman who came under investigation for his handling of payments that some Watergate witnesses said were designed to buy the si-

lence of the original seven Watergate defendants.

Both Sachs and Williams recently told The Post that Buckley is in charge of the defense. Williams, 73, a partner in the New York law firm of Baker, Nelson and Williams, has long been the attorney for Buckley and his magazine, National Review. He said he has agreed to serve without fee as a favor to his old friend, Buckley, and because he feels Hunt "has been done a very great injustice."

Letters to the Editor

'Reporters as Spies'

SIR: I was amazed to read Oswald Johnston's article about American journalists doubling as CIA contacts.

Could it be true that there are three dozen American journalists who can be considered loyal enough to their country and its well-being that they would be employed by the CIA? After reading Washington newspapers for the past 20 years, I can't believe that there could be 36 people in the news field who would consider helping their country instead of dragging it over the coals incessantly as is the practice of the great majority of the correspondents in this area.

It is my deep belief that most newspeople will stop at nothing to get a story. Example: A *Star-News* article about possible CIA activities in Russia. Have the editors thought of the consequences to American agents behind the Iron Curtain as a result of such a story? Their lives are certainly worth more than a news item. Do newsmen ever consider the morality of using informants and underhanded methods to achieve their goals; or is there a double standard in which the process is wrong only when used by their opponents — namely, government agents or agencies?

You assure the American people that in local CIA-journalist contacts, the integrity of neither the *Star-News* nor its correspondent was compromised. There are those of us who would worry more whether the integrity of the CIA agent had been compromised by such a contact.

Sally B. Erwin.

* * * *

SIR: Reporter Johnston has joined the growing ranks of our best investigative reporters.

By revealing massive CIA subversion of our free press, Johnston may also have identified the "leaks" that eluded the "Plumbers."

President Nixon told us last May that "leaks of secret information" relating to any one of "a number of highly sensitive foreign policy initiatives . . . could endanger all." This appeared to mean he wished newsmen to rely exclusively on policy officials and official news offices for their information on foreign affairs.

Johnston now tells us about "the quiet, informal relationship" between CIA officials and "many reporters working at home and abroad and editors who for their part maintain regular contact with CIA officials in the routine performance of their journalistic duties."

Further investigative reporting in this area might embarrass many individuals, but it might illuminate how all the news media have been exploited by dirty tricksters and purveyors of raw, unevaluated "intelligence."

This might also force the press to cease identifying their CIA sources in their articles as "Department of State officials."

John J. Harter.

SIR: Your editorial, "Reporters as Spies" asserted that if "there are trade publications which writers (by the CIA), that is their business and no concern of ours."

This seems to imply a double standard of reportorial integrity — a high level one for press associations and daily newspapers and a low level, or none at all, for trade publications.

In some 40 years of reporting and writing for trade publications, as well as daily newspapers, I was never aware that trade publications demanded less integrity. It seems to me the *Star-News* would better serve the cause of decent journalism if it would condemn all reportorial duplicity, not merely that which involves one class of publications.

And, how about the *Star-News'* own Jerry O'Leary and the CIA? Your explanation of that wasn't very convincing.

Stephens Rippey.

* * * *

SIR: When the lead editorial in a major metropolitan daily has as its topic some aspect of journalism, one expects that here, at least, the author is well-informed on his subject. It was therefore with growing amazement and even disbelief that I read "Reporters as Spies".

Surely you are aware that many, if not most, "stringers" or "freelance" correspondents are part-time writers and depend for their living upon some other full-time job. I have always thought that material submitted by free-lance correspondents was accepted or rejected on such bases as accuracy, timeliness, and quality of writing. Now you would have me believe that it is equally important that the correspondent not be a CIA agent, or presumably a pimp, pusher, or bank robber, or have some other such unsavory primary method of earning his livelihood.

The full-time CIA agent overseas is a Civil Service employee, and his pay and allowances are therefore none too generous considering the risks he takes and the time and effort he puts in on the job. If in the course of this activity he learns things of interest to the American public, and if he has the time, talent, and energy to write about them well, on time and accurately, why should he not earn a few extra dollars by doing so?

Considering the heavy emphasis the CIA places on "security" I would expect it to be CIA Director Colby, not the press, who would object to "spies as reporters."

Joseph M. Struve.

Bowie, Md.

* * * *

SIR: The American people can only benefit from the perception and courage demonstrated by the *Star-News* in unmasking CIA manipulation of the press.

The long-term benefits will be measureable by the CIA response to your injunction to "go further" in de-penetrating the media.

John J. Harter.

WASHINGTON STAR-NEWS

Washington, D. C., Wednesday, December 19, 1973

Watergate Jury Hears Helms Again

By Oswald Johnston
Star-News Staff Writer

Former CIA director Richard M. Helms has testified for a second time before the Watergate grand jury about possible CIA involvement in the break-in at Democratic National Headquarters and the subsequent coverup.

Helms, now ambassador to Iran, was recalled from his diplomatic post for testimony and appeared for about an hour yesterday before the grand jury, according to sources close to the investigation.

Watergate special prosecutor Leon Jaworski's office refused any comment on the Helms interrogation. But it understood staff investigators, following the lead of Archibald Cox, wanted to examine further a memorandum written by Helms 11 days after the June 17, 1972, Watergate break-in in which he asked that FBI agents "confine themselves to the personalities already arrested or directly under investigation."

THE JUNE 28, 1972, memo surfaced earlier this month and stirred reports of renewed interest at the prosecutor's office in Helms' original testimony.

In some eyes, the memorandum directly counter to sworn testimony by Helms and other CIA officials that the agency had no connection whatsoever with E. Howard Hunt and the other onetime intelligence operatives who carried out the June 17 break-in.

This apparent discrepancy was further underlined earlier this month by an article in *Harper's Magazine*.

It contended that Eugenio Martinez, one of the five conspirators apprehended inside the Democratic headquarters and admittedly a paid CIA informant at the time of the break-in, had kept CIA higher-ups fully informed of the doings of Hunt and his colleagues.

THE THESIS has been sharply disputed by all congressional investigators who have looked into the matter. The Senate Armed Services Committee held two hearings earlier in the month in an unsuccessful effort to press the author to authenticate his claims.

Rep. Lucien Nedzi, D-Mich., whose CIA oversight subcommittee of the House Armed Services Committee, has probably carried out the most painstaking study of the relationship of CIA to Watergate, has firmly concluded that the agency was not involved and that the potentially damaging memo is really innocent.

William E. Colby, the present CIA director, earlier this month prepared at the invitation of Senate Armed Services Committee acting chairman Stuart Symington, D-Mo., a second memo to explain what Helms had in mind.

In it, Colby explained that the original Helms memo, addressed to deputy CIA director Gen. Vernon A. Walters, was aimed at protecting two undercover agents in Mexico from exposure by an FBI investigation of what later turned out to be a Republican Finance Committee money chain through a Mexico City bank.

"HE WANTED to discourage a fishing expedition into CIA operations," Colby said.

Nedzi has fully accepted this interpretation, both in a special subcommittee report on the CIA-Watergate connection prepared last month and in private conversation thereafter. He repeated his conviction in an interview yesterday.

State Department officials confirmed yesterday that Helms returned from Tehran over the weekend. Informed sources reported that he conferred with Colby Monday, and he was reported to have met with Nedzi yesterday afternoon.

When questioned, Nedzi reiterated that the controversial memo could hurt Helms only through misinterpretation. "Our record is complete," he said, adding that he and his subcommittee had gone through "piles of memoranda" from classified CIA files relating to the Watergate crew, including Martinez, without finding a shred of evidence of any involvement.

STAR

December 1973

Journalists Doubling as CIA Contacts

By Oswald Johnston

Star-News Staff Writer

The Central Intelligence Agency has some three dozen American journalists working abroad on its payroll as undercover informants, some of them as full-time agents, the Star-News has learned.

After CIA director William E. Colby ordered a review of the practice two months ago, agency officials found the names of some 40 full-time reporters, free-lance journalists and correspondents for trade publications in their files as regular undercover contacts who supplied information to agents in the field and who are regularly paid for their services.

The use of foreign correspondents by the CIA has been quietly suspected — and feared — for years by legitimate reporters who have worked overseas. But the suspicion has never been verifiable until now. The facts were made known by an authoritative source.

The continuing extent of the practice and its wide scope, which is believed to have been scaled down since the Cold War tensions of the

1950s, was apparently a surprise even to Colby, who last month ordered a significant cutback in the CIA relationship with journalists connected with major news organizations.

NO LONGER to remain on the agency payroll is the one category of journalist-agents whose continued existence could most seriously compromise the integrity of the American press in general and possibly cripple its ability to function overseas.

To be phased out is a small group of no more

than five full-time staff correspondents with general-circulation news organizations who function as undercover contacts for the CIA and are paid for their services on a regular contractual basis.

It is understood that three of these agents have maintained their CIA contacts without the knowledge of the news organizations involved, but that the CIA sideline of the other two is known to their civilian employers.

See CIA, A-10

STAR Dec. 1973

CIA

Approved For Release 2001/12/04 : CIA-RDP84-00499R001000120001

Continued from Page A-1

Sources refused to identify any of the reporters involved, but it is understood that none of the five agents who are being cut off were regular staff correspondents of major American daily newspapers with regular overseas bureaus.

COLBY IS understood to have ordered the termination of this handful of journalist-agents in the full realization that CIA employment of reporters in a nation which prides itself on an independent press is a subject fraught with controversy.

Nevertheless, he has approved explicitly the continued maintenance of more than 30 other CIA agents abroad who are not strictly newsmen but who rely on some kind of journalistic "cover" for their intelligence operations.

Among those to be maintained is by far the largest category of journalist-agents: A group consisting of about 25 operatives scattered across the globe who appear to the world as freelance magazine writers, "stringers" for newspapers, news-magazines and news services, and itinerant authors. (A stringer is a journalist, usually self-employed, who offers news dispatches on a piece-work basis to news organizations which do not have regular staff members in the stringer's city.)

Agents in this category are not regularly identified with any single publication, and most of them are full-time informants who frankly use their writing or reporting as cover for their presence in a foreign city. Most of them are American citizens.

MOST ARE paid directly and regularly for services rendered, but a few of these semi-independent freelance writers occasionally draw on CIA funds to pay out-of-pocket expenses for trips in which the agency had an interest or for entertaining a useful contact.

Approved For Release 2001/12/04 : CIA-RDP84-00499R001000120001

A second group of over-400 journalists operate under conditions that, in the eyes of a professional spy, provide a natural "cover," combined with unusually good access to people and places abroad that would be unavailable to persons in other professions.

Colby also intends to keep up the quiet, informal relationship the agency has built up over the years with many reporters working at home and abroad and editors who for their part maintain regular contact with CIA officials in the routine performance of their journalistic duties.

No money changes hands under these relationships, either as occasional payment or as reimbursement for expenses. In general, the relationship is limited to occasional lunches, interviews or telephone conversations during which information would be exchanged or verified. Each side understands that the other is pursuing only his own tasks.

IN SUCH a relationship, the reporter would be free to use the information he gained in a news story, and occasionally the CIA agent might make use of what he has learned from the reporter. Very likely, the CIA official would report the gist of his conversations with the reporter to his superiors, orally or in a written memo.

In this group, sources indicated, the CIA includes a Star-News reporter whose name apparently found its way into agency files as a result of contacts of this professional type during assignment overseas for the Star-News.

(Star-News editors have discussed this matter with the reporter and other sources and have found no evidence to suggest that either the reporter or this newspaper has been compromised.)

Veteran intelligence operatives are understood to look with mixed feelings on Colby's decision to break off CIA contacts with legitimate news organizations.

operating procedure, insist, an agent operating under cover as a freelance writer or as a staff correspondent for a newspaper or news agency almost never had his news stories or articles "critiqued" by his case officer.

While propaganda admittedly has been an important part of clandestine CIA operations abroad, that function has been kept separate from the routine running of agents, even though both assignments belonged to the agency's Clandestine Services, under the Operations directorate.

ACCORDINGLY, the extensive network of dummy foundations through which the CIA was revealed in 1967 to have funneled cash to such publications as Encounter magazine or such organizations as the American Newspaper Guild was not related to the use of newsmen or writers as intelligence operatives in the field.

If anything, the use of newsmen in this way seems to have been carried out at the discretion of station chiefs abroad, with little or no central oversight.

Until late last summer, neither Colby himself nor the top officials in the Operations directorate had any precise information on how many clandestine agents were currently operating under journalistic cover.

During September, in the aftermath of revelations that the Nixon administration used journalists as paid political spies during the 1968 and 1972 presidential campaigns, and in response to queries from the press, Colby ordered an in-house investigation within the Clandestine Services to find out exactly what the situation was.

A final reason for press curiosity on this point, which in turn spurred Colby to order the Operations directorate to search its files, was the published disclosure that Seymour K. Freidin, a code-named "Chapman's friend" of the 1972 Nixon campaign, regularly passed information to a syndicated columnist in Europe during the 1950's.

THE USE of journalist-agents is known to be widespread in Communist-bloc countries where the press is government-controlled, and during the 1950's the Tass correspondent who was also a Soviet agent was almost proverbial.

At the same time, agency officials are known to recognize that CIA penetration of the American press, if discovered or even suspected to exist on a wide scale, would further damage the CIA's shaky public image at home and could seriously compromise the reputation of the American press.

For both of these reasons, sources were extremely reluctant to give any details of the operations in which journalist-agents were involved or to discuss their assignments in any but the most general way. Sources who verified the existence of the practice refused to reveal how much the agents were paid or where they have been deployed.

Colby himself is thought to be solely responsible for the decision to cut off the CIA relationship with full-time staff correspondents for general news-gathering organizations.

DURING his Senate confirmation hearings last summer, Colby promised in the aftermath of the Watergate-related disclosures of domestic political espionage that he would take pains to operate "an American intelligence agency" — that is, one with operations compatible with a democratic society.

Colby's cutback on CIA use of the press is understood to have been governed by that promise.

Nevertheless, Colby has privately justified past use of the news media as agency cover by stressing that newsmen operatives were used for planting propaganda.

Approved For Release 2001/12/04 : CIA-RDP84-00499R001000120001

The Washington Merry-Go-Round

THE WASHINGTON POST

Monday, Dec. 10, 1973

B17

How the CIA Snooped Inside Russia

By Jack Anderson

We have been accused of compromising an intelligence operation, perhaps even jeopardizing the life of an agent, inside the Soviet Union.

Let us set the record straight.

More than two years ago, we were tipped off that the Central Intelligence Agency had managed to eavesdrop on the private conversations of Kremlin leaders. Some of the transcripts, we were told, were quite titillating.

We checked out the story with a CIA source who had access to the transcripts. He confirmed that the CIA was intercepting the telephone traffic between the limousines of Soviet bigwigs.

Unfortunately, he said, they didn't hold strategy sessions in their limousines. The CIA picked up small talk, however, which provided an insight into the personalities of the likes of party chief Leonid Brezhnev, Premier Alexei Kosygin and President Nikolai Podgorny.

The transcripts revealed that the Soviet leaders gossip about one another and complain

about their ailments. Their favorite limousine stop was a private clinic where they could get steam baths, rubdowns and other physical therapy.

Brezhnev, who sometimes drinks too much vodka and suffers from hangovers, told Podgorny in a typical conversation that he was suffering from the woes and would stop off at the clinic for a massage. He mentioned a masseuse named Olga.

"Olga! Oh ho!" chortled the Soviet President, who apparently was familiar with Olga.

Our source said the transcripts showed that the Kremlin chiefs were aware the CIA was listening to them. Anything they already knew, he agreed, should be safe for the American people to be told.

Therefore, it should do no harm to write about the eavesdropping operation, said our source. He cautioned, however, that the monitored conversations didn't make clear whether the Soviet leaders had figured out how we did it.

We published a careful story on Sept. 16, 1971, about the eavesdropping. "For obvious security reasons," we wrote, "we

can't give a clue as to how it's done. But we can state categorically that for years the CIA has been able to listen to the kingpins of the Kremlin banter, bicker and backbite among themselves."

The following December, we quoted from secret White House minutes to show that President Nixon had lied to Congress and the public about the India-Pakistan conflict.

This brought the President's gumshoes down on our necks with a vengeance. No newsmen in Nixondom have ever received a more thorough going-over. The undercover work was done by the plumbers, the bizarre para-police unit whose operatives ran around in CIA wigs and committed foolish crimes.

The bewigged ones, among other things, began checking into our account of the Kremlin bugging. This aroused Richard Helms, then the CIA chief, who invited me to lunch on March 17, 1972.

He asked me not to mention the eavesdropping operation in my book, "The Anderson Papers." He acknowledged that

the Kremlin leaders knew their conversations had been monitored. But he pleaded with me to keep quiet and urged me particularly never to mention how the conversations were intercepted.

Accordingly, I omitted the references from my book and left it to others to reveal the secret monitoring method. Not until today, after the limousine-listening operation had been widely publicized elsewhere, have we mentioned how it was done.

Nevertheless, the White House has seized upon this affair to justify the President's claim of national security in the plumbers' case.

This is strictly a red herring, which President Nixon hopes will distract the Watergate bloodhounds. The truth is that (1) the monitored Kremlin chit-chat was never an important intelligence source; (2) our Sept. 16, 1971, story revealed nothing the Kremlin leaders didn't already know; and (3) the President's claim of national security simply won't wash.

©1973, United Feature Syndicate, Inc.

CIA Apparently Drops Effort to Sell Airline Under CAB Authority

**End of 13 Years' Secret Holding
Likely After Decertification
Of Southern Air Transport**

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — The Central Intelligence Agency apparently has given up its effort to sell under Civil Aeronautics Board authority a certificated U.S. charter airline. It is understood to have secretly owned for the past 13 years. Instead, according to sources close to the case, the CIA probably will complete the proposed sale after the carrier is removed from CAB jurisdiction.

This development came to light as the carrier, Miami-based Southern Air Transport, and its president, Stanley G. Williams, formally asked the CAB to allow them to withdraw their joint application for purchase of Southern by Mr. Williams. Although the CAB held secret hearings on the control case last June, it was reported last August that sufficient evidence existed on the public record to indicate the CIA was the true seller of the airline.

In a separate filing, Southern also petitioned the CAB for cancellation of all its certificates granted by the board and termination of all its CAB exemption authority to provide services that aren't covered by general operating certificates. Southern said it would phase out all its operations conducted under CAB authority by Dec. 31 if the request is granted.

Contract Status Sought

Southern said it would then continue to operate as a "large commercial" air service on a noncertificated basis. In this status, it could provide passenger and cargo transportation under bona fide individual contracts but no longer would be able to furnish flights as a common carrier serving the public under published tariffs.

That status would also enable a transfer of control without CAB involvement. "You can be sure that this means Southern's going to buy back its airline one way or another," said one source close to the airline.

Executive Sessions Planned

A number of competing supplemental, or charter, airlines and several major trunk carriers had challenged the legality of the proposed sale and raised questions about the CIA role in Southern. They contended that control of Southern by the CIA if true, was illegal because of prohibitions against government ownership of U.S. airlines; that awards to Southern of operating certificates while it was under CIA control were illegal and that sale of the airline by the government was illegal.

Despite requirements that the CAB conduct public hearings on control cases involving air-

lines it regulates, CAB Administrative Law Judge Milton Shapiro granted requests from attorneys representing Southern and, allegedly, the CIA that the hearings on the application be held in executive session with all participants sworn to secrecy.

An inquiry on whether transcripts of the hearing will be released, if Southern's withdrawal motion is granted, was referred by a CAB spokesman to Mr. Shapiro, who couldn't be reached immediately.

Southern's actions will permit the CAB "to get off the hook in a ticklish situation," one source said yesterday. Mr. Shapiro hadn't yet issued a recommended decision on the control application, which was filed last March. The usual time span within which such a decision would have been issued has passed, the source commented. The law judge's decision would have been subject to review by the full board.

THE WALL STREET JOURNAL,
Wednesday, December 5, 1973

3

Helms Tried To Curb FBI On Break-In

By Laurence Stern
Washington Post Staff Writer
Former CIA Director

Richard M. Helms ordered his deputy, 11 days after the Watergate break-in, to request that the FBI confine its investigation "to personalities already arrested or under suspicion."

The June 28, 1972, memo to Gen. Vernon A. Walters also urged that the FBI be requested to "desist from expanding this investigation into other areas which may, eventually, run afoul of our operations."

The Helms memorandum appears to be in sharp conflict with testimony by the former CIA director to five congressional committees and federal prosecutors investigating the June 17, 1972, break-in and subsequent cover-up conspiracy.

It emerged, in part, in the recently released transcript of a Senate Armed Services Committee executive session dealing with the confirmation of William E. Colby as CIA director.

The thrust of testimony both by Helms and Walters, as well as other principals in the case, has been that despite heavy White House pressure the CIA steadfastly denied that FBI inquiries into Watergate matters would expose CIA activities.

President Nixon, by his own admission and the testimony of top White House aides, initially raised the concern when the FBI was on the verge of investigating the channeling of funds through Mexico which established a link between the

See CIA, A7, Col. 1

Ex-CIA Director Tried to Limit FBI on Watergate

CIA, From A1

break-in team and the Nixon re-election committee.

Colby, in a series of written responses to Sen. Sam Nunn (D-Ga.), said that Helms' memo to Walters was "consistent with our concern that investigations might reveal CIA activities and our belief that they were unnecessary since CIA had no involvement with the Watergate incident."

This was precisely the concern voiced by top White House officials, during the early days of the Watergate investigation, in urging that FBI investigation of the Watergate "Mexican connection" be suspended.

The White House pressures directed at Helms, Walters and acting FBI Director L. Patrick Gray III had the effect of delaying the Mexican investigation from June 22 to July 10, when the first FBI interviews were conducted in Mexico City.

CIA officials declined to divulge the full memo or comment on the apparent contradiction between the earlier public testimony by CIA officials and the assertions in the Helms memo to Walters.

Colby, in his written responses to Nunn's questions, said that the gist of the memo on CIA relationships with the FBI in Watergate matters was first stated by Helms at a morning staff meeting of the CIA on June 19—two days after the break-in.

The memo was first alluded to, although without specific identification, by former Watergate Special Prosecutor Archibald Cox in his appearance Monday before the Senate Judiciary Committee. Cox said he had received a memorandum by a "major witness" in the Watergate scandal that was at odds with other testimony by that witness. Hearst News Service reporter Patrick J. Sloyan revealed the witness to be Helms in a dispatch Tuesday.

Rep. Lucien N. Nedzi (D-Mich.), chairman of a House Armed Services intelligence subcommittee, acknowledged that he obtained a copy of the full Helms-Walters memo in connection with his 12-week investigation of CIA involvement in Watergate. Nedzi insisted, however, that the requested curtailment of FBI activities was limited to a few CIA operatives whose covers Helms feared might be blown by FBI inquiries in Mexico.

Nedzi declined, however, to divulge the full contents of the memo. So did staff officials of the Senate Armed Services Committee.

Nedzi's subcommittee issued a report Tuesday charging that the CIA had been duped by top White House aides into becoming implicated in the Watergate case.

The Senate Watergate committee had the Helms memo in its files, but did not publicly question the former CIA director or any

other witness about its contents.

Sen. Lowell P. Weicker Jr. (R-Conn.) asked Helms on Aug. 2 at a session of the Watergate committee whether he had ever told Gray that there might be some form of CIA involvement in Watergate.

"I don't recall ever discussing with Gray," Helms testified, "this question of its (the FBI's) uncovering other CIA operations."

Nevertheless, Helms did phone Gray on June 28, according to Nedzi's report, and asked that the FBI "not interview" two CIA active agents, Carl Wagner and John Coswell.

Colby told Nunn that a check of the FBI's Watergate leads in Mexico "did not involve any current CIA assets or activities. Having satisfied ourselves that there was no CIA involvement in the Watergate incident, we were concerned that a possible broadening of the investigation which would reveal CIA foreign activities having no bearing on the Watergate incident would take place."

The FBI leads were focused specifically on Nixon re-election funds which were "laundered" through a Mexico City bank from Texas contributors to the safe of the President's 1972 re-election fund raiser, Maurice H. Stans. The money was ultimately traced to the account of convicted Watergate conspirator Bernard Barker.

In the course of the executive hearings Colby also acknowledged that he sought unsuccessfully to conceal from former Watergate prosecutor Earl Silbert at an interview on Nov. 27, 1972, that it was White House domestic affairs adviser John D. Ehrlichman who requested CIA assistance for Howard Hunt Jr. in July, 1971, in connection with the break-in of the offices of Daniel Ellsberg's

In a "memorandum for the record" on the interview with Silbert, Colby said he "danced around the room several times for 10 minutes to try to avoid becoming specific on this, finally naming the White House, and was then pinned by Silbert with a demand for the name, at which point the name of the individual was given."

The name was Ehrlichman. Colby recited his efforts to withhold Ehrlichman's name in a White House meeting on Dec. 15, 1972, with Ehrlichman and then White House counsel John W. Dean III in the presence of Helms.

This was some six months after Helms and Walters realized, according to their subsequent testimony, that Ehrlichman and Dean were trying to implicate the CIA in the Watergate case.

Colby said he had hoped to withhold Ehrlichman's name from federal prosecutor Silbert because "there was a reluctance to drop somewhat inflammatory names into the kind of atmosphere that was around us at that time."

THE NEW YORK TIMES, WEDNESDAY, NOVEMBER 21, 1973.

An Implied Soviet Threat Spurred U.S. Forces' Alert

**Brezhnev Note on Acting Alone to Back
Mideast Cease-Fire Led to Test of Wills
Oct. 24-25, Washington Aides Say**

By DAVID BINDER

Special to The New York Times

WASHINGTON, Nov. 20—The Soviet note that led to a precautionary alert of United States forces around the world on the night of Oct. 24 carried an implied threat rather than an actual threat of the dispatch of Soviet troops to the Suez war zone.

"We strongly urge that we both send forces to enforce the cease-fire and, if you do not, we may be obliged to consider acting alone," the Soviet note said, according to two officials who have read it.

A reconstruction of the cascading events of that night—many of which remain masked in secrecy — shows that the note from the Soviet leader, Leonid I. Brezhnev, to President Nixon and the alert ordered by the Nixon Administration were only two of a series of firm signals exchanged in a complicated test of wills over the Middle East.

The exchanges lasted more than 12 hours, according to interviews with United States officials and Soviet, Israeli and European diplomats, but the crucial exchange—delivery of the Brezhnev note and the calling of the alert—took place in less than an hour, approximately between 10:40 and 11:30 P.M.

The alert was put into effect by 2:30 A.M., Oct. 25, officials said, and formally authorized by President Nixon half an hour later.

Only hours before the arrival of the Brezhnev note, the Nixon Administration had rejected two earlier plans for a joint United States-Soviet expeditionary force to enforce peace on the Suez front.

The first had come from President Anwar el-Sadat of Egypt in a message read over the Cairo radio at about 3 P.M. on Oct. 24. The next, in the form of a message from Mr. Brezhnev, had been delivered at about 8 P.M. to Secretary of State Kissinger by Ambassador Anatoly F. Dobrynin.

The crisis that Mr. Kissinger faced had been building up for several days.

On Oct. 16, Premier Aleksei N. Kosygin, on a hasty visit to Egypt, discovered that the Egyptian Army, in contrast with President Sadat's boasts, was near a state collapse. In addition the Egyptian III Corps, on the east bank of the Suez Canal opposite the city of Suez, faced encirclement by the Israelis as a result of the

Continued on Page 17, Column 1

HS/HC-910

Implied Soviet Threat Led to U.S. Military A

Continued From Page 1, Col. 7

Israeli crossing to the western bank early that morning.

Mr. Kosygin returned to Moscow Oct. 19 urging that the Soviet Government press for an immediate cease-fire in the Middle East war, which was then in its 14th day. Mr. Brezhnev thereupon invited President Nixon to send Mr. Kissinger to Moscow, and the Secretary arrived the next day.

In sessions Oct. 20 and 21 Mr. Kissinger and Mr. Brezhnev reached a compromise in which Moscow won its point that no time could be lost in achieving a cease-fire, while the Americans won their point of that the cease-fire must be linked to negotiations between the Arabs and Israelis.

The joint cease-fire proposal they agreed upon was adopted by the United Nations Security Council early Oct. 22, and the truce in place officially went into effect about 12 hours later.

Mr. Kissinger stopped in Israel on that day on his way

home from Moscow. Four hours after he had left, Israeli forces went on to complete their encirclement of the Egyptian III Corps, an action he heard about later, reportedly with great dismay and a sense of betrayal.

While the Russians were said to have been outraged at what they regarded as a breach of their Oct. 21 understanding with the Americans, they also saw it as an opportunity to establish a large Soviet presence in the Middle East and they reportedly solicited President Sadat's Oct. 24 call for United States and Soviet troops.

A United States official familiar with the event said the original Brezhnev proposal on Oct. 24 for a joint United States-Soviet force for the Middle East made Mr. Kissinger apprehensive that tougher moments were ahead.

Mr. Kissinger was also getting what he later described as "puzzling" reports from the United Nations. There the Soviet representative, Yakov A. Malik, had shifted suddenly

from demanding a mere reaffirmation of the cease-fire resolution of Oct. 22—a reaffirmation was voted Oct. 23, and the new truce went into effect Oct. 24—to a resolution authorizing an expeditionary force for the Suez region, to a resolution authorizing a United States-Soviet expeditionary force.

The intelligence community, drawing principally on electronic surveillance of Soviet land, sea and air forces, had already noted the presence of seven landing craft and two ships with troop helicopters in eastern Mediterranean waters.

The landing craft had been there before, "milling around," as one intelligence official put it, recalling that a week before there had been eight landing craft in the eastern Mediterranean.

Troop Standby Monitored

Electronic surveillance had also monitored signals putting seven divisions of Soviet airborne troops — about 49,000 men — on a standby alert. One division had been placed on a higher level of alert during the day, making it ready to move out on call.

But, the intelligence official observed, there had been Soviet alerts before during the Middle East conflict, which began Oct. 6, and more Soviet landing craft in the region. So the activities of Soviet forces on Oct. 24 by themselves had caused no undue alarm at the Defense Department, one of the officials said.

Still the Soviet Air Force had pulled most of its large transports back from Damascus and Cairo to their home bases that day and some Pentagon officials interpreted this as a sign that Moscow might use them to take Soviet troops, rather than So-

viet weapons, to the Suez battle zone.

When the second Brezhnev note came at about 10:40 P.M. warning that the Soviet Union "may be obliged to consider acting alone," the responsible American officials—principally Secretary Kissinger and Defense Secretary James R. Schlesinger—put that together with the electronic intelligence evidence and concluded that the Soviet Union was determined to put troops in the Middle East.

Suggestion to President

Describing the situation later, one of the Cabinet officials involved in the decision-making said of the second note and the intelligence estimates, "Either one, apart, we could have ignored."

Ambassador Dobrynin left the second note with Mr. Kissinger without obtaining a reply.

The Secretary of State immediately telephoned President Nixon, who was in his upper floor living quarters in the White House and suggested the United States response should be military as well as political, Mr. Nixon concurred.

This was the genesis of the United States alert.

President Nixon remained in charge throughout, his aides say, but he was also remote, staying the entire night in his White House apartment and receiving the telephone messages of Mr. Kissinger and Mr. Schlesinger. Mr. Nixon empowered them to manage the crisis on their own, the Cabinet official said, leaving them to conceive and carry out the various moves.

Mr. Kissinger convened a meeting of what Mr. Schles-

Alert and a Test of Wills, Capital Aides Report

inger later termed "the abbreviated National Security Council" in the austere, map-filled Situation Room in the White House basement.

It was abbreviated in part because the chairman of what had been a six-man panel, President Nixon, was upstairs. Mr. Kissinger was there in his dual capacity as Secretary of State and the President's assistant for national security affairs.

Another chair was empty because Spiro T. Agnew had resigned, and there was no director of the Office of Emergency Preparedness since George A. Lincoln had retired 14 months before.

"Officially the meeting consisted of Kissinger, Kissinger and Schlesinger," a council aide commented.

Attending as the intelligence adviser was William E. Colby, Director of Central Intelligence, whose agency had played a major role in handling the Cuban missile crisis of 1962 and was now on the sidelines. Mr. Colby had been called in belatedly.

The C.I.A. was familiar with the electronic intelligence obtained by its powerful sister agency, the National Security Agency, but it was not apprised of the Soviet notes until Mr. Colby arrived at the White House.

Haig's Role Described

Attending as the military adviser was Adm. Thomas H. Moorer, Chairman of the Joint Chiefs of Staff.

Mr. Schlesinger had been told of the second Soviet note by Alexander M. Haig Jr., chief of the White House staff. He, in turn, called Admiral Moorer. General Haig functioned more as a go-between than as a member of the decision-making group, aides said.

The abbreviated National

Security Council met at about 11 P.M., and Mr. Kissinger and Mr. Schlesinger swiftly agreed on a modified alert as the United States military response designed to persuade the Soviet Union against acting alone.

The technical term for the alert is Defense Condition 3, explained by a Pentagon official as "an order to stand by for further orders that may come." It is an order any area commander can issue without higher authority if he feels his forces may be threatened.

Mr. Schlesinger is said to have issued it, at 11:30 P.M., and it was passed to the service chiefs by Admiral Moorer.

While the service chiefs were aware of the movements of Soviet military units, they were said to be so surprised by the diplomatic messages that they sent an aide to the C.I.A. and the State Department to seek further word on Soviet intentions. He apparently returned empty-handed.

The Washington order alerted most but not all United States forces. The Coast Guard, with its vital air-sea rescue system, was not brought in until 12 hours later. Strategic Air Command tanker planes hovering along the United States-to-Israel airlift route were left in their Middle Atlantic patterns rather than sent north for possible fueling of long-range B-52 bombers.

Mr. Schlesinger returned to the Pentagon about 1:30 A.M. to bolster the alert by ordering the aircraft carrier John F. Kennedy from the Atlantic to the Mediterranean with her A-4 fighter-bombers and telling the 15,000-man 82d Airborne Division at Fort Bragg, N. C., to get ready to board transport craft.

Asked if the Soviet Union had been notified of the alert,

a United States official said: "No, the alert itself was a signal which we knew they would get through their own electronic intelligence."

Heightened United States military activity could clearly be discerned through the amount and nature of the radio traffic, it was said.

Mr. Kissinger was busy, meanwhile, on the diplomatic front. He conferred repeatedly from the outset of the American-Soviet exchanges with Israel's Ambassador, Simcha Dinitz, advising him of Soviet and United States moves.

About 1 A.M. he told the British Ambassador, the Earl of Cromer, of the note and the alert. Other members of the North Atlantic Treaty Organization were informed through the mechanism of the North Atlantic Council in Brussels, which was advised of the alert by the Defense Department about 2 A.M. Pentagon officials say the news went out to the alliance capitals much later because of a foul-up in the Brussels communication machinery.

In retrospect, however, associates of Mr. Kissinger acknowledge that the crisis-managers "botched" the job of promptly informing United States allies on the night's actions.

"We could have called up all the top allies," said a United States official. "But it might have meant delaying the alert."

Mr. Kissinger was also in touch with the United States delegate to the United Nations, John A. Scali, who had just been through some bruising exchanges with Mr. Malik.

The Soviet delegate had accused the United States of allowing Israel to violate the cease-fire of Oct. 22 and make territorial gains.

Through Mr. Scali, Mr. Kissinger was working to get the Soviet Union to agree to a new resolution in the Security Council setting up a peace-keeping force for the disputed Suez region.

Reply to Brezhnev Drafted

Finally, Mr. Kissinger drafted a reply to the last Brezhnev note saying the United States would not tolerate a unilateral action by the Soviet Union, hoped that Moscow would not take that course, and warned that any such move would damage the cause of peace. He also called for joint action in the United Nations.

That done, according to an aide, a weary Mr. Kissinger walked upstairs and reported to President Nixon and obtained his "ratification" of the moves, including the second note to Mr. Brezhnev. It was about 3 A.M. on Oct. 25, three and a half hours after the alert had been called.

At his news conference at noon, the Secretary publicly reminded Moscow that both the Soviet Union and the United States had nuclear arsenals "capable of annihilating humanity," but that they also had "a special duty to see to it that confrontations are kept within bounds."

An hour or so later, both countries joined in the 14-to-0 vote by which the United Nations Security Council decided to establish a United Nations peace-keeping force excluding the major powers—a move that in effect brought the American-Soviet exchanges to an end.

And in those exchanges, officials noted, the hot-line telephone machine that connects Washington and Moscow was never used.

Colby, Helms Deny CIA Foreknowledge Of Watergate Entry

By Laurence Stern
Washington Post Staff Writer

The current and former directors of the Central Intelligence Agency denied, to senatorial questioners that they had any advance knowledge of the Watergate burglary.

The issue was opened up during a Senate Armed Services Committee closed hearing yesterday to hear testimony by free-lance writer Andrew St. George and by CIA Director William E. Colby.

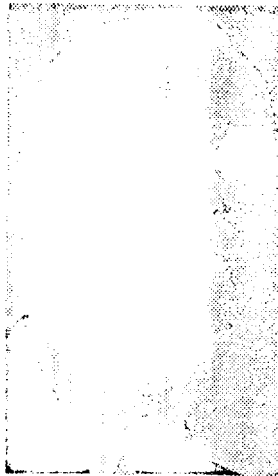
But Colby did acknowledge that one of the convicted Watergate conspirators, Eugenio Martinez, alerted the CIA to E. Howard Hunt's presence in Miami late in 1971 and again in March, 1972.

At the time Martinez was working for Hunt's burglary team, which had already burglarized the office of Daniel Ellsberg's psychiatrist, and Martinez was also employed as a contract employee of the CIA.

Colby's allusion to the Martinez incident was made in a written response to a series of questions by Sen. Howard Baker (R-Tenn.), vice chairman of the Senate Watergate committee.

According to Colby's account, Martinez advised a CIA Miami field representative of Hunt's whereabouts and the report was passed on to CIA headquarters.

CIA headquarters, said Colby, told the Miami supervisor that "he should not concern himself with the travel of Mr. Hunt who was an employee of the White House undoubtedly on domestic White House business of no interest to CIA," according to Colby's latest statement.



RICHARD HELMS

... former CIA director

This incident occurred several months after the CIA terminated technical assistance to Hunt, including the supply of spy paraphernalia, which was used in the Ellsberg burglary. CIA officials said they cut off Hunt in August, 1971, because they came to the conclusion that the requests were improper—even though they were made under White House auspices.

One of the allegations made by St. George, in an article in the current Harper's magazine, is that Martinez was secretly reporting to the CIA on the activities of the White House burglary team under Hunt's supervision.

THE WASHINGTON POST

Saturday, Nov. 17, 1973

A 5

This was denied by Colby and by Helms, in a separate written statement.

Helms also denied a claim by St. George that he had a conversation with a CIA watch officer the morning after the Watergate break-in acknowledging that he was tipped off to the operation.

The St. George article claimed the watch officer called Helms on the morning of June 17, 1972, and told him of the arrest of "the White House crew." It quotes Helms as responding, "ah, well, they finally did it."

Helms' statement, released yesterday by Sen. Stuart Symington (D-Mo.), said: "I am prepared to swear that no such conversation ever took place."

St. George invoked the First Amendment in refusing to identify his source for the report during yesterday's executive session, according to Symington.

The free-lance writer, a self-described adventurer with a heavy Hungarian accent, said he would consult with officials of Harper's before returning to testify before the Senate committee next Wednesday.

St. George was interviewed at length earlier this week by Baker and Senate Watergate committee minority counsel Fred D. Thompson.

Baker has displayed a persistent interest in the question of possible CIA involvement in Watergate. Symington, on the other hand, has been a staunch defender of Helms for having withstood White House pressures to involved CIA in the Watergate cover-up.

THE WASHINGTON POST

A 10 Thursday, Nov. 8, 1973

FBI Leaks Feared By Helms

By Laurence Stern

Washington Post Staff Writer

Fears that sensitive CIA operations might be compromised by "leakage in the FBI" led Richard M. Helms, the agency's former director, to propose sharply defined limits on the Watergate investigation in Mexico.

Helms was also concerned about an FBI "fishing expedition into CIA operations" when he laid down guidelines 11 days after the Watergate break-in designed to confine the FBI's inquiries to "personalities already arrested or directly under suspicion."

This was the gist of four-page memorandum submitted yesterday by CIA Director William E. Colby to Sen. Stuart Symington (D-Mo.), acting chairman of the Senate Armed Service Committee.

Colby's memo was intended to clear up what he described as "recent speculation in the press and elsewhere" over an apparent conflict between a June 23, 1972, memo from Helms to his deputy, Gen. Vernon Walters, and testimony by Helms to five congressional committees and federal Watergate prosecutors.

This conflict was first mentioned—although without any specific reference to Helms—by former Watergate Special Prosecutor Archibald Cox in an appearance last week before the Senate Judiciary Committee. Cox said he had evidence that a major witness in the Watergate inquiry had sharply contradicted his testimony in a memorandum that had come to the attention of the prosecuting staff.

The newly surfaced 1972 memo instructed Walters that "we (the CIA) still adhere to the request that they (the FBI) confine themselves to the personalities already arrested or directly under suspicion and that they desist from expanding this investigation into other areas which may well, eventually, run afoul of our operations."

But Helms and Walters have repeatedly testified that they told White House officials and former FBI Acting Director L. Patrick Gray III that the Watergate investigation in Mexico would not jeopardize any CIA activities.

Colby's memo to Symington alluded to a strong sense of suspicion within the CIA over the prospective FBI investigation of the Watergate scandal's Mexican connection.

He cited as one ingredient of the CIA's concern Gray's persistence—despite repeated denials by Helms—"in querying the Agency about possible CIA involvement in the Watergate incident."

He also recalled that the FBI refused to inform the CIA on June 22, 1972, of the status of its investigation into the activities of James McCord, a former CIA employee, who was one of the convicted Watergate conspirators.

"In light of these developments, and particularly because of the additional fact that there had been recent leaks of sensitive information provided by CIA to the FBI, Mr. Helms felt it necessary to give specific guidance for Agency officials acting during his forthcoming absence to discourage FBI investigation into Agency operations unless specific reason or justification therefor was offered," said Colby.

However, the FBI investigation that White House officials sought to shut off was not directed as the CIA but at the establishment of a link between Watergate funds and the Nixon re-election committee.

White House officials, acting on instructions from the President, first raised the prospect that the FBI pursuit of the Watergate funds through a Mexico City bank account could jeopardize covert CIA operations in Mexico. Helms and Walters had testified that they repeatedly assured White House officials that no agency operations would be so imperiled.

The Helms memo to Walters, however, tended to give legitimacy to the concern originally expressed by the White House and which President Nixon, in his Aug. 22 statement, said proved to be unfounded.

Coby's memo yesterday to Symington failed to clear up what is still a central contradiction in the record of the CIA's involvement in the Watergate cover-up.

THE NEW YORK TIMES, WEDNESDAY, OCTOBER 31, 1973

Knopf Sues Over C.I.A. Censoring of Book

By GEORGE GENT

In what their lawyers called the second Pentagon papers case, the authors and publisher of a forthcoming book about the Central Intelligence Agency filed suit in Federal Court yesterday to enjoin the Government from deleting roughly 10 per cent of the book's material and to halt all interference with its publication.

The suit was filed on behalf of Alfred A. Knopf, Inc., publisher of the book, which has the working title of "The C.I.A. and the Cult of Intelligence," and the co-authors, Victor L. Marchetti, a former executive assistant to the C.I.A.'s deputy director, and John D. Marks, a former State Department employee.

A previous court ruling on the case in March had led to a C.I.A. review of the unpublished manuscript.

Named as defendants in new action were William Colby, director of the C.I.A., and Secretary of State Kissinger, whose department employed Mr. Marks.

This is only the second time in the country's history

—the first was in the Pentagon papers suit—that legal action has been brought against the Federal Government to overturn an injunction against publication of material the Government wants to keep classified.

Prior Restraints Cited

The Government's action, the brief says, violates the Constitution's First and Fifth Amendments by prohibiting the plaintiffs from delivering an uncensored version of the manuscript to the publisher; a "forbidden prior restraint upon freedom of the press," in that publication of the censored material would not "surely result in direct, immediate and irreparable injury to the nation or its people." The brief goes on to say, therefore, that the purported secrecy agreements signed by both Mr. Marchetti and Mr. Marks were unconstitutional prior restraints on the freedoms of speech and the press.

Floyd Abrams, who was one of the lawyers representing The New York Times in the Pentagon papers case and who now represents

Knopf, said previous court rulings on the case in question had been concerned with Mr. Marchetti and his alleged obligations under the secrecy provision he signed when he joined the C.I.A. in 1955.

"What is new here is that Knopf has entered the case under the freedom of the press statutes," Mr. Abrams said.

The brief notes that on March 29, 1972, Knopf and Mr. Marchetti entered into a contract that stipulated that Mr. Marchetti would write and Knopf publish a book about the policies and practices of the C.I.A. that would provide the American people with "vital and timely" information about the secret agency. Subsequently, Mr. Marchetti and Mr. Marks agreed that they would write the book jointly.

Last March, a permanent injunction was issued in Federal Court in Alexandria, Va., forbidding Mr. Marchetti's "further breaching" the terms and conditions of the C.I.A.'s secrecy agreement, which he signed on joining the agency

in 1955, and from disclosing any classified information relating to intelligence activities, sources and methods that had not previously been placed in the public domain by prior disclosure by the Government. The court further ruled that all material relating to the agency be submitted to the C.I.A. for examination 30 days in advance of any publication.

In compliance with the order, Mr. Marchetti and Mr. Marks submitted to the C.I.A. on Aug. 27, 1973, a typewritten manuscript consisting of 517 pages. On Sept. 26, the C.I.A.'s acting general counsel delivered to the authors' lawyers a 19-page document specifying 339 deletions, amounting to between 15 and 20 per cent of the book, and asserted that the manuscript could not be released without the deletions of classified information.

The censored version of the manuscript was submitted to Knopf on that same date by the authors. The publisher has not yet seen an uncensored copy.

Subsequently meetings by Mr. Marchetti and his lawyers with C.I.A. officials brought out the information that some of the material censored by the agency had been acquired by Mr. Marchetti after his employment with the C.I.A. or was already in the public domain.

THE NEW YORK TIMES, WEDNESDAY, OCTOBER 31, 1973

"An Incredible Thing"

Robert Bernstein, president of Knopf, said at a news conference in his office that "it was an incredible thing to receive from the Government a censored manuscript with the deleted portions actually cut out of the book with scissors." (The Knopf suit alleges that all of the deleted material had been placed in public domain.)

"I am seriously thinking of publishing the book with all the deleted material appearing as white spaces," he said.

Mr. Marchetti, who was present at the conference with Mr. Marks, said the suit sought to uncover just what the agency considers classified material. "Much of it is silly," he said yesterday. "One of the items originally deleted and then restored had to do with a training installation in Virginia called The Farm."

Mr. Marchetti and Mr. Marks are represented in the suit by Melvin L. Wulf and John H. F. Shattuck of the American Civil Liberties Union Foundation.

A spokesman for the C.I.A. said late yesterday that there would be no comment at this time because the case was before the courts. A State Department spokesman said, "We know nothing about the suit here."

C.I.A. Restores Portions

The C.I.A. agreed and, on Oct. 15, the agency released 114 of the original 339 deletions for publication, leaving still censored 225 portions, or roughly 10 per cent of the manuscript.

By their act of censorship, the suit alleges, "defendants have substantially impaired and invaded the right of plaintiffs to publish the book 'The C.I.A. and the Cult of Intelligence,' and have deprived the public of the right to receive vital information regarding the conduct of the Government."

In seeking redress, the suit asks that the 225 deletions be restored, that the authors be permitted to submit, and Knopf to publish and sell, the uncensored manuscript, that all Governmental interference with the publication cease, and that the secrecy agreements signed by Mr. Marchetti and Mr. Marks be declared "null and void."

In related actions, the suit asks that Mr. Colby and Secretary of State Kissinger provide, within 15 days, all data and documents relating to the decision to censor the 225 portions of the book, the security classifications of each item censored, the manner in which the decision to censor was made and the names and addresses of all those involved in the decision.

THE NEW YORK TIMES, WEDNESDAY, OCTOBER 31, 1973

WATERGATE ROLE OF C.I.A. SCORED

Special House Unit Reports
Activities 'Had No Support
in Reason or Law'

By DAVID E. ROSENBAUM
Special to The New York Times

WASHINGTON, Oct. 30—In the first formal report of a Congressional panel investigating the Watergate scandal, a House subcommittee said unanimously today that the Central Intelligence Agency had operated in a way that "had no support in reason or law."

The C.I.A. and its highest officials, the subcommittee said, were "the unwitting dupes for purely domestic White House staff endeavors that were beyond the realm of C.I.A. authority."

The panel—the Special Subcommittee of Intelligence of the House Armed Services Committee—is responsible for overseeing the activities of the intelligence agency.

Under the chairmanship of Representative Lucien N. Nedzi, a Michigan Democrat, the subcommittee interviewed two dozen witnesses, including top officials of the White House

Continued on Page 29, Column 2

Watergate Role of C.I.A. Scored In Special House Unit's Report

Continued From Page 1, Col. 1

and the C.I.A., in closed sessions last spring and summer.

The purpose of the inquiry was to determine the role of the agency in the Watergate burglary and other activities in which Administration aides have been implicated, such as the burglary at the office of Dr. Daniel Ellsberg's former psychiatrist.

Most of the persons interviewed by the subcommittee have testified in public to the Senate Watergate committee, and the House thus added little additional investigative data to the public record.

Evaluation of Data

But, unlike the Watergate committee, which has not released a report of its findings, the Armed Services subcommittee attempted to evaluate the information it obtained from its interrogation.

Among the subcommittee's conclusions were the following:

¶The C.I.A. was operating outside the law, which prohibits its participation in purely domestic security matters, when it provided a disguise, false identification papers and other paraphernalia to E. Howard Hunt Jr., who was convicted in the Watergate conspiracy and who has acknowledged planning the Ellsberg burglary.

¶It was "an abuse of C.I.A. facilities" for the agency, at

the insistence of top White House officials to prepare a psychological profile of Dr. Ellsberg.

¶The C.I.A. did not know it was being used for improper purposes and resisted later efforts to involve the agency.

¶John W. Dean 3d, the former White House counsel, put "tremendous pressure" on the Federal Bureau of Investigation and the C.I.A. to limit the early Watergate investigation. H. R. Haldeman, former Presidential chief of staff, and John D. Ehrlichman, former White House domestic counselor, also tried to "deflect" the F.B.I.'s work "by invoking nonexistent conflicts with C.I.A. operations."

¶Requests from top-level White House aides in the present Administration were, almost without exception, taken as orders from people who were speaking for the President.

¶These aides avoided Richard Helms, then Director of Central Intelligence, and dealt instead with his deputies, Gen. Robert E. Cushman Jr. and later Gen. Vernon A. Walters, both of whom owed their positions to President Nixon.

The subcommittee said that it was preparing legislation that would prohibit the C.I.A. from participating in any domestic functions without the personal authorization of the President.

CIA Seen

Duped in

Scandal

Hill Unit Cites Administration Contradictions

By Laurence Stern
Washington Post Staff Writer

The first congressional report on the Watergate scandal yesterday cited major contradictions in statements by President Nixon and his top aides in efforts to draw a national security cover over the affair.

In completing its 12-week investigation, the House Armed Services Subcommittee on Intelligence concluded that the Central Intelligence Agency had been duped by top White House officials seeking to stall an FBI investigation of the Watergate break-in.

The report, at one point, strongly suggested that President Nixon publicly misrepresented his purpose in phoning former FBI acting Director L. Patrick Gray III on July 6, 1972—a crucial day in the Watergate investigation.

The President's call came half an hour after Gray telephoned Mr. Nixon's campaign manager, Clark MacGregor, to express his concern over White House pressures to suspend FBI inquiries into the Watergate case's Mexican connection. At issue were funds processed through a Mexico City bank linking members of the Watergate break-in team to the Nixon re-election committee.

In the President's account of the phone call, delivered in a statement last May 22, Mr. Nixon said he telephoned Gray "to congratulate him on the successful handling of the hijacking of a Pacific-Southwest Airlines plane the previous day. During the conversation Mr. Gray discussed with me the progress of the Watergate investigation..."

But the subcommittee report cited testimony by former White House domestic counsel John D. Ehrlichman that the President's call was prompted by "MacGregor's conveying a request from Gray to the President."

Ehrlichman acknowledged under questioning by subcommittee Chairman Lucien N. Nedzi (D-Mich.) that the President's public account of the conversation did not square with the version Mr. Nixon gave him.

The significance of the conversation is that it signaled the refusal of Gray and CIA Deputy Director Gen. Vernon A. Walters to go along any further with strong pressures by the President's then-counsel, John W. Dean III, to delay investigation of the Mexican fund connection.

These pressures originated, according to the testimony, with instructions from the President to his former chief of staff, H. R. (Bob) Haldeman, to get assurances that the FBI investigation of Watergate would not expose covert CIA operations or activities of the White House "plumbers."

Between June 22, 1972,

See CIA, A9, Col. 1

Post
Wednesday, 31 Dec 1973

CIA Seen as a Dupe In Watergate Affair

Approved For Release 2001/12/04 : CIA-RDP84-00499R001000120001-2

CIA, From A1

and Gray's final declaration to the President in the July 6 conversation that "people on your staff are trying to mortally wound you by using the FBI and CIA," Haldeman, Ehrlichman and Dean interceded in efforts to stall the FBI investigation, according to the testimony in the case.

After Gray made clear to the President that neither he, on behalf of the FBI, nor Walters, on behalf of the CIA, could go along with the delay, Mr. Nixon said: "Pat, you continue to conduct your thorough and aggressive investigation." This was Gray's testimony.

The subcommittee noted that as early as June 22—the day the President expressed concern over possible FBI exposure of covert CIA activities—former CIA Director Richard M. Helms assured Gray there was no such danger. Helms reiterated his conclusion the following day at a White House meeting with Walters, Haldeman and Ehrlichman.

Yet Haldeman instructed Walters on June 23 to go to Gray immediately and tell him that the Watergate investigation might breach national security by exposing covert CIA activities. The effect of this and an ensuing series of contacts between Dean and Walters delayed for more than two weeks the FBI investigation of the most concrete tie-in at that point in the case between the Watergate break-in and the Nixon re-election committee.

The subcommittee criticized Walters for failing to tell Gray on June 23 that the White House concern over exposing CIA operations by pursuing the Watergate trail was unfounded.

"It remains a good question why General Walters failed to assure Mr. Gray of the lack of CIA conflict in the Mexico matter immediately after it was so determined on June 23, 1972," the report observed.

Walters testified that he assumed Dean was using the word to Gray "that there was absolutely no CIA problem."

The subcommittee thought differently. "To be charitable," the report concluded, "the best that can be said for that explanation is that it is rather strange."

"General Walters, by his own admission, was concerned that Dean was attempting to blame CIA for

Watergate, and in that frame of reference, one could hardly expect Dean to be the vehicle for informing Mr. Gray that there was no CIA-Mexican connection."

The subcommittee bared a major conflict in the testimony of Gray and Walters. Walters said he told Gray on June 23 that he had been "directed" by top White House officials to warn Gray that the FBI investigation in Mexico would jeopardize covert CIA operations there; that in view of the first five Watergate arrests it would "be better to taper the matter off there."

Gray denied that Walters mentioned senior White House officials as the source of this concern.

"Mr. Gray was vehement in his statement that Walters did not mention 'senior people at the White House.' The important aspect of that testimony is that Mr. Gray said he thought Walters was speaking for the CIA," the subcommittee said.

In his testimony to the subcommittee, the former FBI director expressed his own sense of helpless puzzlement.

"With both Helms and Walters present (at the June 23 White House meeting) they acquiesce in this move to send Walters over to give me a message they both know to be false. At least Helms does, because I talked to him on 6-22-73 and he said no CIA involvement."

The subcommittee did not pursue the question of why Gray needed the assurance of the No. 2 man in the CIA when, by his own testimony, he had already received it from the man in charge of the agency, Helms.

As a result of the weeks of executive session testimony by CIA officials, former White House aides and Watergate defendants, the subcommittee proposed three legislative recommendations intended to tighten loopholes in the CIA's statutory charter. They would:

- Require the President to approve any violations of the prohibition in the National Security Act against domestic operations by the CIA.

- Tighten phraseology in the act that might otherwise permit the agency to intrude into the domestic sector.

- Prohibit dealings between former CIA employees and the agency "beyond purely routine administrative matters."

Approved For Release 2001/12/04 : CIA-RDP84-00499R001000120001-2

Ex-CIA Agent Sues To Stop Censorship

By Stephen Isaacs

Washington Post Staff Writer

NEW YORK, Oct. 30—Former Central Intelligence Agency official Victor L. Marchetti, his co-author and his

publisher sued today to try to enjoin the government's censoring Marchetti's book, which criticizes the CIA.

Named as defendants in the suit, filed in federal court here, are CIA Director William Colby and Secretary of State Henry A. Kissinger.

Lawyers for Marchetti insist that the censorship of sections of his book—about a 10th of it—constitutes prior restraint and is unconstitutional.

Marchetti was joined in the suit by co-author John D. Marks, a former State Department employee, and by Alfred A. Knopf, Inc.

Before Marchetti wrote the book, the CIA sought and won an injunction against him from U.S. Judge Albert V. Bryan Jr. in Alexandria. That injunction was upheld by the Fourth Circuit Court of Appeals in September, 1972.

Last December, the Supreme Court refused to review the appeals' judgment.

At issue is whether Marchetti and Marks retained rights to freedom of speech when they signed secrecy agreements upon joining their government agencies.

Melvin L. Wulf of the American Civil Liberties Union, representing Marchetti and Marks, said that "This is only the second case—the Pentagon Papers being the first—where the government of the United States, in its whole 200-year history, has gone to court or sought to enjoin by way of prior restraint the publication of material concerning government practices."

Wulf warned that if the CIA's censorship is upheld, the practice of requiring secrecy oaths could spread through the government and shut off information about government affairs.

The suit asks that the prior restraint be enjoined, that the secrecy agreements be declared void, and that the government be kept from interfering with publication and sale of the book, tentatively titled "The CIA and the Cult of Intelligence."

POST

Wednesday

31 Oct 1973

Sunday, Oct. 21, 1973 THE WASHINGTON POST

The View From Langley

By Tad Szulc

Szulc is a Washington writer and a former foreign correspondent. His latest book is "Compulsive Spy: The Strange Career of E. Howard Hunt."

WAS THE United States, through the Central Intelligence Agency or otherwise, directly involved in the events that led to the bloody coup d'état in Chile last Sept. 11?

Actual involvement in the military revolution that ousted the late President Salvador Allende Gossens, a Socialist, has been roundly denied by the Nixon administration and the CIA in particular. But given the CIA's track record in overthrowing or attempting to overthrow foreign governments—Iran, Guatemala, the Bay of Pigs, Laos and so on—deep suspicions have persisted that the agency, operating under White House directives, has been much more than an innocent observer of the Chilean scene since Allende's election in 1970.

Ten days ago, the CIA rather surprisingly if most reluctantly, went quite a way to confirm many of these suspicions. It did so in secret testimony on Oct. 11 before the House Subcommittee on Inter-American Affairs by its director, William E. Colby, and Frederick Dixon Davis, a senior official in the agency's Office of Current Intelligence. The transcript of the testimony was made available to this writer by sources in the intelligence community.

This extensive testimony touches principally on the CIA's own and very extensive covert role in Chilean poli-

tics, but it also helps in understanding and reconstructing the administration's basic policy of bringing about Allende's fall one way or another.

We are apprised not only that the CIA's estimate of the number of victims of the military government's repression is four times the official Santiago figures but that the United States, in effect, condones mass executions and imprisonments in Chile because a civil war there remains "a real possibility." Yet, even Colby warned that the junta may "overdo" repression.

Colby's and Davis' testimony, in parts unclear and contradictory, offered a picture of the CIA's activities in Chile between Allende's election in 1970 and the Sept. 11 coup ranging from the "penetration" of all the major Chilean political parties, support for anti-regime demonstrations and financing of the opposition press and other groups to heretofore unsuspected Agency involvement in financial negotiations between Washington and Santiago in last 1972 and early 1973 when the Chileans were desperately seeking an accommodation.

There are indications that the CIA, acting on the basis of its own reports on the "deterioration" of the Chilean economic situation, was among the agencies counseling the White House to rebuff Allende's attempts to work out a

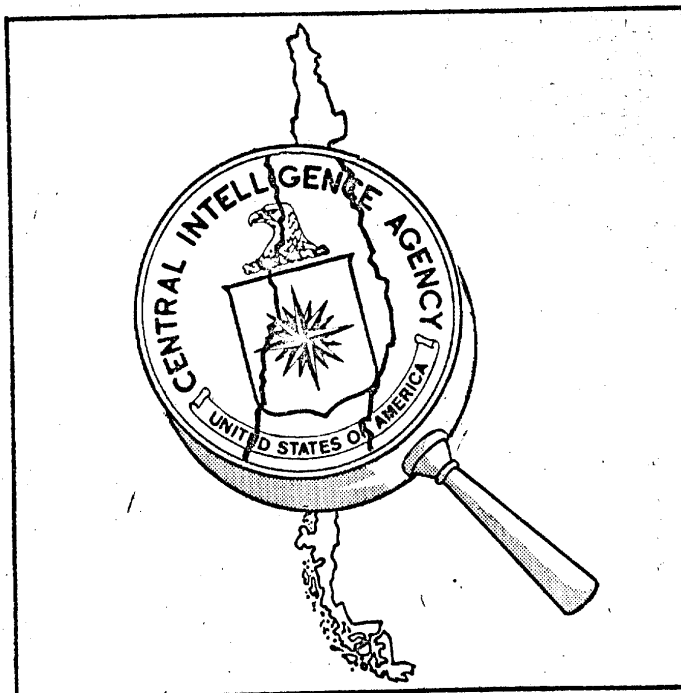
settlement on the compensations to be paid for nationalized American property and a renegotiation of Chile's \$1.7 billion debt to the United States.

A No-Help Policy

ACTUALLY, the basic U.S. posture toward Allende was set forth by Henry A. Kissinger, then the White House special assistant for national security affairs, at a background briefing for the press in Chicago on Sept. 16, 1970, 12 days after Allende won a plurality in the elections and awaited a run-off vote in Congress. Kissinger said then that if Allende were confirmed, a Communist regime would emerge in Chile and that Argentina, Bolivia and Peru might follow this example.

For the next three years, the U.S. policy developed along two principal lines. One was the denial of all credits to the Allende government—Washington even blocked loans by international institutions—to aggravate Chile's economic situation when Allende himself was bogging down in vast mismanagement of his own. The other line was the supportive CIA activity to accelerate the economic crisis and thereby encourage domestic opposition to Allende's Marxist Popular Unity government coalition.

See CIA, Page C5



By William Perkins—The Washington Post

A CIA View

CIA, From Page C1

The only exception to the ban on credits was the sale of military equipment to the Chilean armed forces—including the decision last June 5 to sell Chile F-5E jet fighter planes—presumably to signal United States support for the military. Colby's testimony as well as other information showed that the United States had maintained close contacts with the Chilean military after Allende's election.

The Nixon administration's firm refusal to help Chile, even on humanitarian grounds, was emphasized about a week before the military coup when it turned down Santiago's request for credits to buy 300,000 tons of wheat here at a time when the Chileans had run out of foreign currency and bread shortages were developing.

On Oct. 5, however, the new military junta was granted \$24.5 million in wheat credits after the White House overruled State Department objections. The department's Bureau of Inter-American Affairs reportedly believed that such a gesture was premature and could be politically embarrassing.

An "Unfortunate" Coup

PARADOXICALLY, Washington had not hoped for the kind of bloody military takeover that occurred on Sept. 11. For political reasons, it preferred a gradual destruction from within of the Chilean economy so that the Allende regime would collapse of its own weight. The CIA's role, it appeared, was to help quicken this process.

Under questioning by Rep. Michael J. Harrington (D-Mass.), Colby thus testified that the CIA's "appreciation" of the Chilean economy was that "it was on a declining plane on the economic ground in terms of internal economic problems—inflation, with 320 per cent inflation in one year, the closure of the copper mines, and so forth, your total foreign deficit was more than the need for it. They couldn't import the food because their deficit was such that over the long term they had no base for it." Elsewhere in his testimony, Colby said that the CIA reported "accurately an overall assessment of deterioration" and that with the Chilean navy pushing for a coup, it was only a question of time before it came.

But Colby also told the subcommittee that "our assessment was it might be unfortunate if a coup took place. The National Security Council policy was that it is consistent with the feeling it is not in the United States interest to promote it." He made this comment after Rep. Charles W. Whalen (R-Ohio) asked Colby whether he agreed with earlier testimony by Jack Kubisch, the assistant secretary of state for Inter-American affairs, that the administration believed that "it would be adverse to our own United States interest if the government of Chile

This theme was further developed in a letter on Oct. 8 from Richard A. Fagen, professor of political science at Stanford University, to Sen. J. William Fulbright, chairman of the Senate Foreign Relations Committee, reporting on a meeting between Kubisch and a group of scholars representing the Latin American Studies Association.

Fagen said that Kubisch took the view that "it was not in our interest to have the military take over in Chile. It would have been better had Allende served his entire term taking the nation and the Chilean people into complete and total ruin. Only then would the full discrediting of socialism have taken place. Only then would people have gotten the message that socialism doesn't work. What has happened has confused this lesson."

"No Indication" of Support

COLBY'S TESTIMONY on the CIA's activities in Chile supplied a considerable amount of new information, some of it contradictory, under vigorous questioning by the subcommittee.

Thus at one point Colby said that "I can make a clear statement that certainly CIA had no connection with the coup itself, with the military coup. We didn't support it, we didn't stimulate it, we didn't bring it about in any way. We obviously had some intelligence coverage over the various moves being made but we were quite meticulous in making sure there was no indication of encouragement from our side."

Colby also insisted that the CIA was not involved with the prolonged strike by Chilean truckers that preceded the coup.

But pressed by Rep. Harrington, Colby acknowledged that the CIA may have assisted certain anti-Allende demonstrations. The following discussion ensued:

HARRINGTON: Did the CIA, directly or indirectly, assist these demonstrations through the use of subsidiaries of United States corporations in Brazil or other Latin American countries?

COLBY: I think I have said that the CIA did not assist the trucking strike.

HARRINGTON: I think it's a broader, and more intentionally broader, question—any of the demonstrations that are referred to in the course of this questioning.

COLBY: I am not quite sure of the scope of that question.

HARRINGTON: I make specific reference to two, one in the October period of 1972 and one in March of 1973.

COLBY: I would rather not answer the question than give you an assurance and be wrong, frankly. I would rather not. If we did, I don't want to be in a position of saying we didn't. But if we didn't, I really don't mind saying I

won't reply because it doesn't hurt. But I don't want to be in a position of giving you a false answer. Therefore, I think I better just not answer that, although I frankly don't know the answer to that question right here as I sit here.

"A Covert Operation"

THOUGH COLBY consistently refused to tell the subcommittee whether the CIA's operations in Chile had been authorized by the "40 Committee," the top secret group headed by Kissinger in the National Security Council that approves clandestine intelligence operations, he admitted that "we have had . . . various relationships over the years in Chile with various groups. In some cases this was approved by the National Security Council and it has meant some assistance to them. That has not fallen into the category we are talking about here—the turbulence or the military coup."

In previous testimony before a Senate subcommittee, former CIA Director Richard Helms disclosed that the CIA had earmarked \$400,000 to support anti-Allende news media shortly before his election. This was authorized by the "40 Committee" at a meeting in June, 1970. Colby, however, refused to say whether this effort was subsequently maintained, claiming that the secrecy of CIA operations had to be protected. He then became engaged in this exchange with Harrington:

COLBY: That does go precisely on to what we were operating and what our operations were. I would prefer to leave that out of this particular report . . .

HARRINGTON: I think we have run exactly into what makes this a purposeless kind of exercise . . .

COLBY: If I might comment, the presumption under which we conduct this type of operation is that it is a covert operation and that the United States hand is not to show. For that reason we in the executive branch restrict any knowledge of this type of operation very severely and conduct procedures so that very few people learn of any type of operation of this nature.

HARRINGTON: And we end up with a situation such as at Sept. 11 because you have a cozy arrangement.

Corporate Cooperation

ON THE QUESTION of support to anti-Allende forces by United States or Brazilian corporations, Colby and Davis gave equivocal answers to the subcommittee. Colby said, "I am not sure." Davis said, "I have no evidence as to that," but Colby interrupted him to remark that "I wouldn't exclude it. Frankly, I don't know of any. However, I could not say it didn't happen."

Subcommittee members pursued at some length the possible involvement by American corporations in the Chilean coup because of previous disclosures that the International Telephone and Telegraph Corp. had offered the CIA \$1 million in 1970 to prevent Allende's government from subsequently proposed a detailed plan to plunge Chile into economic chaos.

Rep. Dante B. Fascell (D-Fla.), the subcommittee chairman, raised the question of involvement by Brazilian or other Latin American corporations, many of them subsidiaries of United States firms, because of reports that the anti-Allende moves were widely coordinated. Speaking for the CIA, Davis replied:

"There is some evidence of cooperation between business groups in Brazil and Chile. However, this is a small share of the financial support. Most of the support was internal. There is some funding and cooperation among groups with similar outlooks in other Latin American countries. This is true with regard to most of those governments . . . I was not thinking so much of companies or firms so much as groups, organizations of businessmen, chambers of commerce, and that kind of thing in a country such as Brazil."

Discussing the CIA's intelligence operations in Chile, Colby said he "would assume" that the Agency had contacts with Chileans opposed to Allende. Asked by Harrington whether the CIA maintained such contacts in social contexts, Colby said:

"If a gentleman talks to us under the assurance he will not be revealed, which can be dangerous in some countries, it could have been very dangerous for those in Chile . . . the protection of that relationship, fiduciary relationship with the individual, requires that I be very restrictive of that kind of information."

Then the following dialogue developed:

FASCELL: Is it reasonable to assume that the Agency has penetrated all of the political parties in Chile?

COLBY: I wish I could say yes. I cannot assure you all, because we get into some splinters.

FASCELL: Major?

COLBY: I think we have an intelligence coverage of most of them. Let's put it that way.

FASCELL: Is that standard operating procedure?

COLBY: It depends on the country. For a country of the importance of Chile to the United States' decision-making, we would try to get an inside picture of what is going on there. I can think of a lot of countries where we really don't spend much time worrying about their political parties. I spend much of my time worrying about penetrating the Communist Party of the Soviet Union.

The Economic Role

ONE OF THE MOST intriguing disclosures made by Colby in his testimony was that the CIA is actively engaged in economic negotiations between the United States and foreign countries. This has not been generally known here, but Colby told the subcommittee that "we would normally contribute to (a) negotiating team."

He said that "we would try to provide them intelligence as backdrop for their negotiations and sometimes help them with appreciation of the problem . . . We follow the day-to-day progress in negotiations. If it's an important economic negotiation, like (Treasury) Secretary Shultz over in Nairobi and places like that, we would be informed of what they are doing and try to help them."

In the context of the Chilean-American negotiations before the coup, the CIA's Davis said that "we did have some quite reliable reporting at the time indicating that the Russians were advising Allende to put his relations with the United States in order, if not to settle compensation, at least to reach some sort of accommodation which would ease the strain between the two countries. There were reports indicating that, unlike the Cubans, they were in effect trying to move Allende toward a compromise agreement . . . It was our judgment that the [Chileans] were interested in working out some kind of *modus vivendi* without, however, retreating substantially from their position."

Davis added that "our intelligence requirement in the negotiations between the United States and Chile would be to try to find out, through our sources, what their reactions to a negotiating session were, what their reading of our position was, what their assessment of the state of negotiations is."

In his narration of the events leading to the coup, Colby said that "under the general deterioration, it was only a matter of getting the Army, the Navy and the Air Force to cover it. Eventually they did get them all in." Colby then compared the Chilean coup to the 1967 Indonesian revolution, reputedly assisted by the CIA, when the army ousted President Sukarno. He said the CIA shared the suspicions of the Chilean military that Allende was planning a coup of his own on Sept. 19 to neutralize the armed forces, but said the CIA had no firm information confirming these suspicions.

"Concern Over Security"

THROUGHOUT his testimony, Colby drew a grim picture of the junta's repression and, in effect, predicted that it would worsen even more because of the continued strength of the Chilean left. His estimates of the death toll were roughly four times the figures announced by the junta and he told the subcommittee that the Chilean military had a list of the "most wanted" Allende followers whom they hoped to find and possibly execute.

"Communist Party chief Luis Corvalan is being or will be tried for treason. He may well be sentenced to death regardless of the effect on international opinion," Colby said. This information led to this exchange:

WHALEN: You mentioned those being accused of treason. Did these allegedly treasonable activities occur after the takeover by the military?

COLBY: I think what I referred to was the head of the Communist Party who would probably be tried for treason.

He would probably be tried for treason. He would probably be tried for activities prior to the takeover. You can have some question as to how valid that is in a constitutional legal sense. There have been some who have been accused of it since the takeover.

WHALEN: That confuses me. If he is tried for treason against a government that supported the coup, how can he be

COLBY: You are right.

This was Colby's assessment of the present situation:

"Armed opposition now appears to be confined to sporadic, isolated attacks on security forces, but the regime believes that the left is regrouping for coordinated sabotage and guerrilla activity. The government probably is right in believing that its opponents have not been fully neutralized. Our reports indicate that the extremist movement of the Revolutionary Left believes its assets have not been damaged beyond repair. It wants to launch anti-government activity as soon as practical and is working to form a united front of leftist opposition parties. Other leftist groups, including the Communist and Socialist parties, are in disarray, but they have not been destroyed. Exiled supporters of the ousted government are organizing abroad, namely in Rome."

Colby told the subcommittee that "concern over security undoubtedly is what accounts for the junta's continued use of harsh measures to deal with the dissidents. The military leaders apparently are willing to alienate some support at home and endure a bad press abroad, in order to consolidate their hold on the country and finish the job of rooting out Marxist influence."

Chance of "Civil War"

DESCRIBING the present situation, Colby said:

"Armed resisters continue to be executed where they are found, and a number of prisoners have been shot, supposedly while 'trying to escape.' Such deaths probably number 200 or more . . . Several thousand people remain under arrest, including high-ranking officials of the Allende government."

Answering questions, Colby agreed that the CIA's figure of more than 200 executions was higher than the junta's official estimate. He added that "there were a couple thousand, at least, killed during the fighting which surrounded the coup. It is quite possible that if you went to a city morgue you would find that number. The official figure of total killed is 476 civilians and 37 troops to a total of 513. We would guess, we would estimate, it is between 2,000 and 3,000 killed during the struggles. That would not be in my classification as execution . . . Some of those were shot down. There is no question about that. They are not just bystanders . . ."

Colby disagreed, however, with Rep. Robert H. Steele (R-Conn.) that the junta killings have "done no one any good."

"I think our appreciation is that it does them some good . . . The junta, their concern is whether they could take this action of taking over the government and not generate a real civil war, which was the real chance because the Allende supporters were fairly activist. There were armies in the country. There was at least a good chance of a real civil war occurring as a result of this coup," Colby said.

Asked whether civil war remained a possibility, Colby replied that, "It was. It's obviously declining, but it was a real possibility. Yes, I think it is a real possibility. Whether it's a certainty or not is not at all sure."

WASHINGTON STAR-NEWS

Washington, D. C., Wednesday, October 10, 1973

A-19

JAMES J. KILPATRICK

Free the 'Watergate Six'

In a statement issued Oct. 1 Judge John J. Sirica emphasized that the crushing sentences he imposed on the Watergate defendants last spring were not intended to be final sentences. When he does fix final sentences, these will be in accord with a sense of justice and in accord with the relevant principles of law.

And it will be perfectly apparent at that time," Sirica added, "if that time comes, that such disposition was predicated as it should be, upon fairness, compassion, understanding and justice."

What in the world one is minded to ask, did the judge mean by if that time comes? The Watergate defendants now are languishing in prison under the maximum permissible sentences of 35 to 40 years. The sentences were imposed in March, though several of the defendants had been in jail since early January.

It is customary in the federal trial courts of the District to impose the maximum at the conclusion of a trial in which defendants have pleaded guilty or have been found guilty but after an investigation by probation officers such sentences routinely are reduced within 90 to 120 days. When, one must inquire, will the time come for such reductions here?

If Sirica means what he says about 'fairness, compassion, understanding and justice,' he will discharge six of the seven Watergate defendants from further custody—all but G. Gordon Liddy at the earliest possible moment. Such a humane decision would be fully supported by the law, the

evidence the character of the defendants by their conduct in recent months and by the record of sentences in other burglary cases.

Viewed simply as a matter of law, with every political consideration set aside, the Watergate burglary was a humdrum crime. No one was hurt. No person was put in terror of his life. No money or other intrinsically valuable property was stolen. Not even a lock or a door was damaged. The defendants at first gave aliases, but they made no attempt to flee or to resist arrest.

In terms of the seriousness of the crime, this burglary would rank toward the bottom of the 2.3 million burglaries reported by police every year.

The evidence demonstrated convincingly, especially as to the four men recruited from Miami, that criminal motivation was altogether lacking. Virgilio Gonzalez testified that he had been told that "we are solving the Cuban situation." Frank Sturgis had the same understanding. When it comes to Cuba and the Communist conspiracy involving the United States, I will do anything to protect this country.

Sturgis had the reputation of a "soldier of fortune," whatever that means, but the others had no visible taint. E. Howard Hunt and James McCord had served long and honorably with the CIA; Bernard Barker was in real estate; Eugenio Martinez and Sturgis were his associates; Gonzalez was a locksmith. For purposes of probation or parole, all of them, so far as is

publicly known, would be classed as 'first offenders.'

Sirica's requirement was that these defendants "cooperate." With the exception of Liddy, they have. The six men have done everything that conceivably could be asked of them toward clearing up the Watergate mystery. It would take a heart of stone not to be touched by the plight of Hunt. He has been abandoned by the White House that commissioned him. His wife is dead in a plane crash; his children are orphans. How is justice served by keeping him—and the others—in prison?

Finally, the sentences ought to be kept in perspective. The last fiscal year saw 254 burglary cases disposed of in the federal courts. These involved 215 defendants with verdicts of guilty. Of these, 91 were put on probation; 124 were put under sentence. The Watergate defendants appear in a classification of "other burglaries," after bank jobs and postal thefts have been accounted for. This group embraced 120 defendants. Only 54 of them were sentenced to prison at all, and only eight of them—including the Watergate Seven—received sentences of more than five years.

If Sirica were now to fix final sentences of a year and a day, which is what 14 of the "other burglars" received, he would be acting precisely in accord with the courts' traditional sense of justice and the relevant principles of law. And these six non-criminals would be free to patch up their broken lives.

"POST"

SUNDAY, 7 OCT 73

PEOPLE

Hunt's Assassination Plot

By Maxine Cheshire

A new book on the career of convicted Watergate conspirator E. Howard Hunt claims that he was assigned by the CIA in 1964 to coordinate a second Bay of Pigs invasion attempt that included a plot to assassinate Fidel Castro.

The book, "Compulsive Spy," by former New York Times correspondent Tad Szulc, is expected to touch off a controversy among intelligence experts when it is published next month by Viking press.

Szulc concedes that many former associates of Hunt's in the CIA dispute his involvement in such a mission.

According to Szulc, an expert on Caribbean politics and the original Bay of Pigs, the proposed invasion was directed under the code name "Second Naval Guerrilla."

Camps were established in Nicaragua and Costa Rica to train some 700 exiled Cubans.

"The plot was aborted," Szulc writes, "When civil war broke out in the Dominican Republic in May 1965 and the Johnson administration did not consider it timely to mount another Caribbean operation after U.S. forces had invaded Santo Domingo."

Hunt's role, according to Szulc, was to coordinate the assassination of Castro. Hunt has admitted in his own memoirs that he was recommending Castro's elimination as early as 1960.

Szulc's CIA sources suggest that Hunt worked with Rolando Cubela, a former major in Castro's army who was arrested in 1966 by the Cuban secret police and sentenced to life imprisonment for his role.

If Szulc's informants are correct, Hunt was not the only Watergate figure to be involved in the second invasion plans. According to Szulc, both James W. McCord Jr. and Bernard Barker also played minor roles.

Szulc talked with former CIA colleagues of Hunt's here and abroad to piece together previously unpublished details of his career as a spy and political operative.

According to "reliable information" which came to Szulc, federal investigators have reason to believe that Hunt may have had more than one copy of the files that were taken from his safe in 1972 and later burned by acting FBI Director L. Patrick Gray III.

His informants, Szulc writes, "suggest that Hunt turned one set of documents over to a friend for safe keeping." The person is identified only as "someone who lives in Washington's Virginia suburbs, possibly in Arlington or Alexandria."

The book, based on a profile which originally appeared in The New York Times Sunday Magazine, contains some intriguing new data on Hunt.

Apparently, hundred dollar bills were always a part of his modus operandi. Long before Watergate, he would show up for a regular Monday night poker game in Washington with a roll of crisp new bank notes of that denomination in his pocket.

Also, he always seems to have had a penchant for ludicrous disguises. He turned up in Paris in 1968 on what he told CIA colleagues was a "super-secret mission," wearing a stringy beard which one agent said "reached almost to his belly button."

The Washington Merry-Go-Round

THE WASHINGTON POST

Monday, Oct. 2, 1973

C33

CIA Teaches Terrorism to Friends

By Jack Anderson

Bomb and booby trap experts from the Central Intelligence Agency have been quietly training foreign police to make explosive devices at an isolated federal school in Texas. The tutelage is so dubious that the Pentagon has refused to have anything to do with it.

The cloak-and-dagger professors are on loan from the CIA to the Agency for International Development, which runs the school at the Border Patrol Academy in Los Fresnos.

The existence of the school was first depicted in the movie "State of Siege," where foreign police were shown being trained to use bombs and booby traps against political opponents. But because the film was propagandistic, few took seriously the reality of the "terror school."

Dubious but curious Sen. James Abourezk (D-S.D.) began a quiet investigation. His confidential findings raise disquieting questions about America's police aid to military juntas.

In one memo wrung from AID by Abourezk, Assistant Administrator Matthew Harvey concedes that the Defense Depart-

ment refused to teach the bomb course when it was set up in 1969. Therefore, "the Central Intelligence Agency agreed to provide guest lecturers for this portion of the training program."

At the secret school, he says, demonstrations are given of "the construction, use and counter-measures against homemade bombs and explosive devices used by criminal terrorists." The foreign police also get graphic lectures on booby traps, "incendiaries" and other lethal devices. To defuse and dispose of bombs, Harvey explained, a police officer first has to learn all about them.

The documents obtained by Abourezk show that most of the 165 policemen trained at the school come from military-backed regimes such as those in Brazil, Guatemala, Thailand, Uruguay, Panama and El Salvador. Only a thin blue line of cops are trained for the democracies.

AID officials explained to us that they have had fewer requests for the "Technical Investigations Course" from democracies. The bomb-building course, they add, is only part of

the curriculum at the Texas hideaway. The visiting police are also taught bomb squad organization, record keeping and a course called "Press Releases and Press Relations."

At the CIA, a spokesman said the decision to help with the anti-bomb courses was associated with terrorist attacks on American personnel and facilities in foreign land. The courses are now being reviewed.

SILENT TREATMENT—Last year, the four foolhardy Cubans on the Watergate squad were willing to follow their ring-leader, E. Howard Hunt, blindly. Now they hold him in silent contempt.

They had planned to plead not guilty and appeal to the jury for understanding. But at that time, the White House wanted to avoid a public trial. Hunt advised them to plead guilty, and overnight they changed their plan.

The Cubans sometimes quarreled among themselves, but all four swore by Hunt. They wept with him when his wife was killed in an airliner crash. They would have died for him.

Then the sordid Watergate story was spread across the

front pages. They found out that Hunt had collected tens of thousands of dollars in behalf of the Watergate defendants. But only a few paltry payments ever reached them. He used most of the money to pay his own legal expenses.

He is now prepared to testify against the Cubans, whom he recruited to break into Ellsberg's psychiatrist's office, in return for immunity for himself.

But perhaps the last straw was the deal he wangled from the Senate Watergate committee. In return for his cooperation, the committee arranged for him to be removed from jail into spacious, comfortable quarters at Ft. Holabird, Md. Our sources say he occupies his time playing checkers and chess.

The four Cubans, meanwhile, are still behind bars. They saw him as he was cashing a \$100 money order just before checking out of jail. As a gesture of contempt, Eugenio Martinez pulled his empty pockets inside out. Then they watched together in cold silence as the sheepish Hunt was led away.

HS/HC-950

"Post" 1 Oct 1973

On Orders of My Government ... On Orders ... Orders ... Orders

A Commentary
By Nicholas von Hoffman

*I have lived so much that some day
they will have to forget me forcibly,
rubbing me off the blackboard.
My heart was inexhaustible.*

Pablo Neruda, 1904-1973

In Santiago the generals are executing people. In Santiago the generals say they haven't killed as many as the refugees say they have. In Santiago they are burning books, Marx, Mao Tse-tung and the Marxist Neruda, Chile's Nobel Laureate. Rub him off the blackboard, not dead a week from cancer or other causes. In Santiago they warehouse the political prisoners.

In Washington the new government is recognized and the denials flow. After three years of using every economic lever to destroy the Chilean government, they tell us it wasn't a CIA hitman whose machine gun chattered the teeth out of Allende's skull. But hard on those assertions we have Howard Hunt, the 20-year CIA man, giving us an on-camera demonstration of the kind of people that agency hires, promotes and commends. If Howard Hunt told you the CIA didn't have anything to do with Watergate in Washington or murder and incarceration in Chile, would you believe him?

For the first time, the Ervin hearings have given us a chance to judge CIA personnel. Recently we've seen Hunt, and last summer, another retired CIA career man, James W. McCord, was on the stand displaying his kind of incompetence and deficient judgment. Is that whole place, into which it is estimated we put something like \$6 billion a year, stocked with such people?

Have we armed and paid for an army of marauding simpletons who know how to plot cheeseball *coup d'etats* but are so out of contact with reality they think a major party candidate for the presidency could be on Fidel Castro's payroll? It's possible, since they have made a career of putting major party politicians in other countries on their payrolls.

Nor does it seem to get better further up the line in the agency. The CIA's new boss, William E. Colby, distinguished himself in Vietnam as an architect of the Phoenix program of political assassination and midnight arrest. The society he helped build is one even a Russian might have difficulty adjusting to.

A generation ago CIA monkeyshines may have made some sense. Perhaps in 1953 overthrowing Premier Mohammed Mosadegh of Iran did save the oil for us and perhaps it was worth it if you think we must do such things to survive. But Allende's downfall isn't going to save the American copper mines or ITT's investments. The nationalization of American interests in Chile was voted for unanimously by the Chilean congress. The generals can't stay in power and hand them back to their former stockholders in New York.

Chilean democracy may never be restored, but neither will we; is another anti-American dictator like Peron in Argentina preferable to an Allende? A William Colby or a Howard Hunt may have what they think is a rational answer to that question; a Henry Kissinger may tell us what's done is done, the generals are in power, and we have no more right to meddle in their internal affairs than we have to pass the Jackson amendment and meddle in Russia's.

The rest of us may ponder whether we are caught up in a gangbusting, nonideological careening around the world. We send killers into Cuba to get Castro, and perhaps he sends them back to get Kennedy. Brezhnev comes here and campaigns for Nixon. We give him wheat and campaign for him in Russia, which gives us title to help Thieu lock up 200,000 political prisoners, and the Chilean generals bomb the Moneda Palace.

A CIA world with Solzhenitsyn suppressed in Russian and Neruda burnt in Santiago, rubbed off the blackboard. But he won't be, and you don't have to be an idealist to know that. At night they hand-copy the forbidden texts in Russia; now they'll go into the mountains, into the Andes, to do the same with Neruda.

© 1973, The Washington Post/King Features Syndicate

HS/HC-910

A-6

WASHINGTON STAR-NEWS
Washington, D. C., Friday, September 21, 1973

State Denies CIA Funded Allende Foes

The State Department is formally denying as "absurd" the claim of Salvador Allende's widow that the CIA secretly financed political opponents of the late Chilean president's regime, which was overthrown in a military coup last week.

Earlier, the department's ranking official in Latin American affairs had provoked a spate of rumors over Mrs. Allende's charges by refusing to discuss them in a public congressional hearing yesterday.

Assistant Secretary of State Jack D. Kubisch otherwise went to great lengths to deny any U.S. responsibility for the coup, either through political or military intervention or through economic pressures. He was testifying before a House Foreign Affairs subcommittee.

WHEN CONFRONTED with Mrs. Allende's charges, which were broadcast yesterday through a New York Times interview, Kubisch said the question was too sensitive to be discussed in public and was better reserved for a closed-door session.

When reporters pointed out to him after the hearing that his refusal to discuss the question left open an implication that the United States, in fact, had helped anti-Allende groups, Kubisch said this was not what he intended to imply. But he

again refused to discuss the matter.

Later, the State Department issued through its press office a specific denial of Mrs. Allende's charge that the CIA helped finance dissident Chilean truck owners whose nationwide strike during the summer brought the country to the brink of chaos, helping to set the stage for the coup.

"SUCH SUGGESTIONS are absurd," the department disclaimer said. "The United States played no part, financial or otherwise, in that strike or in the other stoppages or protests mounted by the opposition to Allende."

In his testimony yesterday, Kubisch was otherwise sweeping in his denials of U.S. involvement. He also denied that Washington had any specific foreknowledge of the coup, but he admitted that officials here have been expecting some such move by the Chilean military for several months.

Denials had been issued repeatedly by government press officials over the past week, but Kubisch's statement at a hearing on the Chile coup marked the first time that a responsible government official has made these points publicly.

Touching on a variety of questions raised since the overthrow of President Salvador Allende and his violent death, Kubisch said:

- The administration has no precise knowledge whether Allende did, in fact, commit suicide or whether he was shot down by his captors, as some of his supporters have claimed.

- The administration has not yet made a formal decision to establish diplomatic relations with the new government, but the likelihood is that the decision will be made soon.

- The administration had received "some reports of a confidential nature" concerning claims by the junta that large quantities of Soviet block arms had been stockpiled by Allende supporters before the coup.

In discussing the reported stockpiling by Chilean leftists of East European arms, for example, Kubisch refused to go further than his hint that the State Department had received intelligence reports about those stockpiles. He offered to expand on the subject behind closed doors.

KUBISCH TOOK special pains to deny the claim of many liberal commentators that U.S. economic policies forced political chaos on the Allende regime by denying international loans to the faltering Chilean economy.

"There was no hidden blockade" of Chile, Kubisch declared. "The fault was internal."

Kubisch noted that previously committed Agency for International Development and Food for Peace loans continued to the Allende regime, even though some \$700 million in U.S. corporate assets were expropriated and some \$100 million in international debts were defaulted.

He noted that international banks extended some \$83 million in loans to Chile from 1971 to 1973, which he termed an increase over the yearly average in pre-Allende days.

SECURITY THREAT FEARED

CIA Wants to Cut Ex-Agent's Book

By Oswald Johnston
Star-News Staff Writer

Victor L. Marchetti, the one-time CIA agent who lost a court fight a year ago to write about his former employers without their approval, is facing a new problem.

After a three-week study of a 530-page manuscript on the activities of the agency, CIA lawyers have decided that nearly 100 pages must be deleted in the name of national security.

Marchetti, who was hoping to publish his book in time for the Christmas buying season, is now considering going to court again to contest the CIA's censorship.

AMERICAN Civil Liberties Union lawyer Melvin L. Wulf, who has represented Marchetti since the beginning of his struggle to publish his memories, yesterday disputed the CIA's contention that its demands are merely a matter of negotiation.

"We're going to negotiate in court," Wulf said, adding that an earlier offer to discuss the manuscript with CIA lawyers last month has been rejected.

Marchetti's earlier struggle to publish without CIA approval went all the way to the Supreme Court where his plea was rejected last December.

AS A RESULT, Marchetti was under court order to fulfill the pledge he signed

upon joining the agency in 1955 that he would never publish anything about CIA activities without prior clearance.

The 530-page typescript went to the agency Aug. 27 and reviewers there have shared it with State Department officials seeking to impose their own censorship of the book.

This is because a coauthor who joined Marchetti earlier this year, John D. Marks, a former Foreign service officer, has been under similar pressure from the State Department to submit the manuscript for clearance.

State Department lawyers until recently denied knowing that the book Marks was working on was already under court order to be submitted to the CIA for clearance.

LAST JULY, the State Department legal office formally requested that Marks submit the manuscript for review.

Marks, Marchetti and Wulf, concluding that in this case the State Department and the CIA were parts of the same government, decided to ignore that request. The State Department quietly acceded by making its own arrangement to look at the CIA copy.

The authors are still not sure what parts of the book the CIA wants to censor. General Counsel John Warner has promised to provide that information to Wulf next week.

C.I.A. Will Seek to Excise Parts of Book by Ex-Aide

By JOHN M. CREWDSON

Special to The New York Times

WASHINGTON, Sept. 20 — The Central Intelligence Agency has told the American Civil Liberties Union that it will oppose the publication of about 100 pages of allegedly classified material contained in an account by a former C.I.A. official of the agency's internal workings.

Melvin L. Wulf, legal director for the A.C.L.U. in New York City, said today that he had been notified by the agency that officials there planned to excise "near to a hundred pages" from a 530-page manuscript by his client, Victor L. Marchetti, a former assistant to the C.I.A.'s deputy director.

Mr. Wulf submitted the manuscript to the intelligence agency for review on Aug. 27, under the terms of a Federal court order handed down a year ago.

That occasion marked "the first time in the history of the United States," according to Mr. Wulf, that an author had been required by judicial order to submit a manuscript to the Government for prior censorship.

Security Peril Denied

Both Mr. Wulf and Mr. Marchetti, who are the only two individuals outside the C.I.A. to have seen the manuscript in its entirety, said that they believed it contained nothing that would jeopardize the national security.

But a knowledgeable Government official described some of the material in an outline for the Marchetti book, tentatively titled "The Cult of Intelligence," as dangerous, and said that, if the agency had allowed its publication, it "would have blown us out of the water in a lot of places—identities, oper-

Mr. Wulf said that he expected to receive from the C.I.A. next week a letter detailing the passages to which the agency objected. He said that he and Mr. Marchetti would then meet with representatives of the Alfred A. Knopf Company, the prospective publisher, to decide on their response.

Mr. Marchetti said in a telephone interview that although he wanted to wait until he knew precisely which passages the agency was focusing on, "my feeling is to fight back as hard as we can to publish."

Mr. Wulf said that he anticipated the possibility of going "back to court [to] try again" to raise the generic question of their power to do this. Mr. Marchetti added that if the courts upheld the C.I.A.'s opposition to the material it was possible that he "would go to jail before I would permit them to quash the book."

Employment Agreement

When the C.I.A. discovered last year that Mr. Marchetti intended to write both the book and a magazine article on intelligence operations, it secured an injunction, based on a draft of the article and an outline for the book that prohibited him from presenting his writings to a publisher without allowing the agency to review the contents.

The Government maintained in its argument for the injunction that the agency was entitled to such prior review under an employment agreement signed by Mr. Marchetti in which he agreed not to disclose classified information obtained by reason of his employment with the agency.

The injunction, which stipulates that fiction, as well as non-fiction materials written by Mr. Marchetti must be submitted for review, was upheld by a Federal appeals court decision in August of last year.

The court also maintained that the issue was not one of Mr. Marchetti's First Amendment rights of free speech, as Mr. Wulf has argued, but rather one involving the terms of the contract that Mr. Marchetti entered into with the agency "by accepting employment with the C.I.A. and by signing a secrecy agreement."

The Supreme Court later declined to hear an appeal of

the appellate decision, which stipulated that Mr. Marchetti could seek judicial review of any disapproval of a manuscript, or portions of one by the C.I.A.

Mr. Marchetti, who spent 14 years with the C.I.A. before retiring in 1969, has previously published one novel, "The Rope Dancer," which concerns the activities of a fictional "national intelligence agency," and an article in the April 3, 1972, issue of The Nation magazine that was critical of some of the agency's activities.

He said today that he was currently working on a second novel that was based on a "purely fictional" insane asylum operated by the agency where wayward or "burned-out" operatives were sent to recover.

Although Mr. Marchetti submitted "The Rope Dancer" to the C.I.A. for review, another former agency employee, E. Howard Hunt Jr., wrote several dozen novels under different pseudonyms, during his service with the agency, many of which dealt with the exploits of fictional intelligence operatives.

A knowledgeable source said yesterday that Hunt, who pleaded guilty in January to charges of bugging the Democratic party's Watergate offices, was never required to submit his works for review because the agency was unaware that they were being published.

C.I.A. Will Abolish Estimates System, Form a New Board

By DAVID BINDER

By The Associated Press

WASHINGTON, Sept. 19 — The Central Intelligence Agency is planning to abolish the 15-year-old system of turning out what it calls national intelligence estimates, sometimes as many as 50 a year.

The estimates on critical issues facing United States policy-makers drew on contributions from as many as seven intelligence-gathering agencies and sometimes from outside experts. They were drafted by the staff of the 10-member Board of national estimates, consisting of both "generalists" and specialists, and put into final form by the board.

The new Director of Central Intelligence, William Colby, himself a career professional, decided that this system of analysis and assessment no longer suits the needs of the White House, his main customer, or the intelligence community.

In place of the board Mr. Colby intends to appoint about 10 problem-oriented specialists to be known as national intelligence officers. He is doing his selecting from about 50 candidates: the bulk in the C.I.A. but some in other intelligence agencies and some outside the intelligence profession.

They will be empowered to range throughout the intelligence-gathering agencies and into the academic world to pull together assessments of current issues. They will act as Mr. Colby's staff officers.

Some are to focus on obvious problem areas like the Soviet Union, China, Europe and the Middle East. Others will be assigned to issues like control of strategic arms and economics. At the moment no national intelligence officer will be assigned to Africa; should an African problem become sufficiently critical Mr. Colby would assign an officer to it.

He has emphasized that the estimative process is not being abolished by his reform. Rather, it is being reorganized to enable his officers to draw more fully on intelligence expertise that has developed outside the big C.I.A. compound.

THE NEW YORK TIMES, THURSDAY, SEPTEMBER 20, 1973

STAR
SEP 1973

By MARY McGRORY

Spies Out in the Cold

What Chuck Colson, Richard Nixon's hatchetman, must have liked best about Howard Hunt was that he thought dirty tricks were a way of life.

Colson's wilder fancies during his White House days caused even such bravos as H. R. Haldeman and John D. Ehrlichman to flinch. They took care not to inquire into the "black projects" of the President's special adviser.

But with Hunt, Colson could dream and soar.

Colson is a secret agent manque. He loves the back alleys and dark corners of politics — fake ads, fake polls. Hunt is the real thing.

For Colson, it must have been a treat to meet Hunt, a man who looked upon the Democrats as he had looked upon the Soviets during his 21 years with the CIA — as "enemies" all, to be confronted by whatever means necessary.

Colson had the ideas. Hunt had the know-how, adding that extra blood-quickenning dimension of sterile phones, safe houses, aliases and disguises. Hunt had lived Colson's fantasies. Any feats of sabotage or subversion he missed, he wrote about in 48 novels. Like Colson, he knew no limits.

Hunt's ethical values were formed by the CIA and, therefore, tracked with Colson's. Colson was proud of having informed his White House subordinates that he would walk over his grandmother to insure the re-election of Richard Nixon.

Hunt, a virtual expatriate, also had the virtue of an almost total ignorance of American politics. Colson apparently scribbled his graffiti all over the blank slate.

When Colson bade him fabricate a cable implicating John F. Kennedy in the murder of President Diem of South Vietnam, Hunt glided into the "back channels" of the State Department and fell to pasting and snipping with a will.

He vaguely explained the politics of it to the Watergate Committee last week: It was related to Colson's primitive Catholic Strategy — "showing a Catholic president conspiring to assassinate a Catholic president."

Colson must have felt he had been presented with a perfectly trained police dog, one who would attack on command and not ask a lot of foolish questions.

Colson and Hunt together contributed a unique chapter in the annals of American medicine. It was on the occasion of Hunt's interview, ordered by Colson, in Dita Beard's Denver hospital room. The time of the visit was 11 p.m., an hour when most hospitals are closed to outsiders. But Mrs. Beard was, as ever, under the care of an osteopathic cardiologist, and Hunt, wearing a wig supplied by the CIA, was admitted to her bedside.

The doctor, who apparently believes there is nothing like a little agitation to heal a heart patient, ducked

ministering what Hunt called "chemical aids." During those intervals, Hunt dashed to the phone to report to Colson and receive fresh instructions. It went on that way until 3 a.m.

Dita Beard, Hunt said, "left it up in the air" as to whether she had written the famous ITT memo, which, with a bluntness modeled after Colson's own, stated that her company was buying its way out of an anti-trust suit with a \$400,000 campaign contribution.

Shortly afterwards, however — and Hunt modestly claimed no credit — she declared the message was a fraud.

Neither he nor Colson saw anything untoward in the affair. Hunt subsequently described Daniel Ellsberg's conduct as "bizarre."

Now the two citizens of fantasyland are in trouble. CIA standards of operation, while rampant at the White House, are not universally accepted. Hunt, a spectral figure after six months in jail, is under provisional sentence of 35 years for his part in the Watergate break-in and Colson, for once silent, seems to be in difficulties over the Ellsberg break-in.

Colson's patron, the President, cannot help him. And Hunt's patron, Colson, cannot help him. The rude world has broken in on their dreams of glory. The refined Hunt and the crass Colson, once cloak and dagger, are two spies left out in the